



Quarterly report 2022

Q2

Key figures SpareBank 1 SR-Bank Group (MNOK)

MAIN FIGURES	01.01 - 30.06		Q2	Q2	Year
	2022	2021	2022	2021	2021
Net interest income	2.115	2.002	1.101	1.001	4.001
Net commission and other income	896	856	466	454	1.717
Net income on financial investments	291	453	104	243	1.026
Total income	3.302	3.311	1.671	1.698	6.744
Total operating costs	1.396	1.293	702	681	2.714
Operating profit before impairments	1.906	2.018	969	1.017	4.030
Impairments on loans and financial commitments	-36	179	-52	58	192
Pre-tax profit	1.942	1.839	1.021	959	3.838
Tax expense	393	305	225	143	682
Profit after tax	1.549	1.534	796	816	3.156
BALANCE SHEET					
Gross loans to customers	242.867	225.791			230.299
Deposits from customers	145.667	136.209			137.664
Total assets	318.642	299.939			304.402
Average total assets	311.591	290.768			295.753
Selected key figures (for further key figures see page 44 of the interim report)					
Return on equity ¹⁾	11,8 %	12,4 %	12,0 %	13,2 %	12,6 %
Cost ratio ¹⁾	42,3 %	39,1 %	42,0 %	40,1 %	40,2 %
Combined weighted total average spread for lending and deposits ¹⁾	1,37 %	1,39 %	1,40 %	1,36 %	1,35 %
Balance growth					
Growth in loans ¹⁾	7,6 %	5,3 %			5,07 %
Growth in loans inclusive SpareBank 1 Boligkreditt	7,6 %	3,3 %			5,10 %
Growth in deposits ¹⁾	6,9 %	22,5 %			16,50 %
Solidity					
Common equity Tier 1 capital ratio	17,9 %	17,9 %			17,4 %
Tier 1 capital ratio	19,3 %	19,5 %			18,9 %
Capital ratio	20,9 %	21,2 %			20,5 %
Tier 1 capital	24.965	24.805			24.163
Risk weighted balance	129.618	127.398			127.981
Leverage ratio	7,1 %	7,5 %			7,1 %
Liquidity					
Liquidity Coverage Ratio (LCR) ²⁾	151 %	167 %			168 %
Deposit-to-loan ratio ¹⁾	60,0 %	60,3 %			59,8 %
Impairments on loans and financial commitments ¹⁾					
Impairment ratio ¹⁾	-0,03 %	0,16 %			0,09 %
Loans and financial commitments in Stage 3 ¹⁾					
Loans and financial commitments in Stage 3, % of gross loans and financial commitments ¹⁾	1,38 %	1,79 %			1,46 %
SpareBank 1 SR-Bank share					
	30.06.22	31.12.21	31.12.20	31.12.19	31.12.18
Market price	106,70	133,20	91,00	100,00	89,20
Market capitalisation (MNOK)	27.289	34.066	23.273	25.575	22.813
Book equity per share (including dividends) (group) ¹⁾	99,49	99,05	95,97	89,90	82,27
Earnings per share, NOK	5,90	12,08	5,87	12,06	8,96
Dividends per share	-	6,00	3,10	5,50	4,50
Price / Earnings per share ¹⁾	9,04	11,03	15,50	8,29	9,96
Price / Book equity ¹⁾	1,07	1,34	0,95	1,11	1,08
Effective return ³⁾	-15,4 %	55,8 %	-9,0 %	17,2 %	7,4 %

¹⁾ Defined as alternative performance targets (APMs), see the appendix to the interim report

²⁾ High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

³⁾ %- change in the market price in the last period, including paid share dividend

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A good result characterised by growth, increased income and reversals of impairment provisions

Q2 2022

- Pre-tax profit: NOK 1,021 million (NOK 959 million)
 - Net profit for the quarter: NOK 796 million (NOK 816 million)
 - Return on equity after tax: 12.0% (13.2%)
 - Earnings per share: NOK 3.03 (NOK 3.13)
 - Net interest income: NOK 1,101 million (NOK 1,001 million)
 - Net commissions and other operating income: NOK 466 million (NOK 454 million)
 - Net income from financial investments: NOK 104 million (NOK 243 million)
 - Operating costs: NOK 702 million (NOK 681 million)
 - Impairments on loans and financial liabilities: NOK -52 million (NOK 58 million)
- (Q2 2021 in brackets)

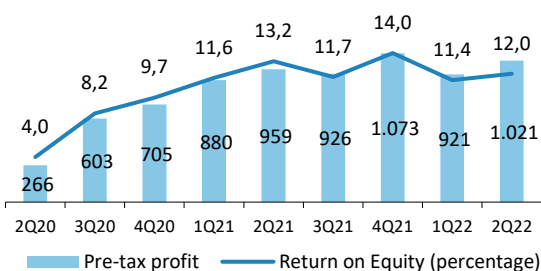
H1 2022

- Pre-tax profit: NOK 1,942 million (NOK 1,839 million)
 - Net profit for the period: NOK 1,549 million (NOK 1,534 million)
 - Return on equity after tax: 11.8% (12.4%)
 - Earnings per share: NOK 5.90 (NOK 5.87)
 - Net interest income: NOK 2,115 million (NOK 2,002 million)
 - Net commissions and other operating income: NOK 896 million (NOK 856 million)
 - Net income from financial investments: NOK 291 million (NOK 453 million)
 - Operating costs: NOK 1,396 million (NOK 1,293 million)
 - Impairments on loans and financial liabilities: NOK -36 million (NOK 179 million)
 - Total lending growth over past 12 months: 7.6% (3.3%)
 - Growth in deposits over past 12 months: 6.9% (22.5%)
 - Common Equity Tier 1 capital ratio: 17.9% (17.9%)
 - Capital ratio: 20.9% (21.2%)
- (H1 2021 figures in brackets)

Financial performance – Q2 2022

The group made a pre-tax profit of NOK 1,021 million for the second quarter of 2022, NOK 100 higher than in the previous quarter. This resulted in a return on equity after tax of 12.0% for the quarter, up from 11.4% in the first quarter of 2022.

Fig. 1 Financial performance



Net interest income amounted to NOK 1,101 million in the second quarter of 2022, NOK 87 higher than in the previous quarter (plus NOK 75 million corrected for the number of days). The increase was mainly due to an increased lending volume, improved interest margin and a higher return on equity due to higher interest rates. The average interest margin was 1.40% in the second quarter of 2022, compared with 1.33% in the first quarter of 2022.

Net commissions and other operating income was NOK 466 million in the second quarter of 2022, NOK 36 million higher than in the first quarter of 2022. Income from EiendomsMegler 1 SR-Eiendom AS increased by NOK 32 million, and income from savings and investments increased by NOK 9 million. Guarantee commissions decreased by NOK 6 million, and earnings from facilitation/customer fees also decreased by NOK 6 million.

Net income from financial investments amounted to NOK 104 million in the second quarter of 2022, a reduction of NOK 83 million compared with the previous quarter. Value changes for securities totalled NOK -91 million, NOK -21 million of which was from value changes for equities and NOK -70 million from value changes for certificates and bonds plus associated derivatives. Income from interest and currency trading amounted to NOK 97 million in the second quarter of 2022, up NOK 12 million, while income from associated companies was up NOK 8 million from the previous quarter to NOK 82 million.

Operating costs amounted to NOK 702 million in the second quarter of 2022, NOK 7 million higher than in the previous quarter.

A net NOK 52 millions of impairment on loans and financial liabilities were reversed in the second quarter of 2022, with a NOK 64 million decrease in individual losses and a NOK 12 million increase in IFRS 9 impairment provisions. Following an overall assessment of the potential negative effects of the war in Ukraine, a NOK 70 million uncertainty premium was taken account of in relation to exposed parts of the corporate market portfolio at the end of the second quarter, up NOK 10 million from the previous quarter.

Important events in Q2

On 15 June 2022, SpareBank 1 SR-Bank ASA announced a strategic partnership agreement with Swedbank. SpareBank 1 SR-Bank ASA is taking over an approximately NOK 5.6 billion corporate customer portfolio from Swedbank and entering into a partnership that will result in greater growth and a better offer for enterprises. The partnership model is based on shared values and objectives, and the partners have growth ambitions going forward. The partners will work together on transnational corporate customers to ensure better offers for customers of Swedbank and SpareBank 1 SR-Bank ASA in both Norway and Sweden. Furthermore, the banks will jointly manage larger corporate customers in the Norwegian market through collaboration and syndication within defined industries. The agreement will require the approval of the Norwegian FSA and the Norwegian Competition Authority.

On 22 June 2022, SpareBank 1 SR-Bank ASA announced a greater focus on capital markets through the acquisition of shares in SpareBank 1 Markets AS. SpareBank 1 SR-Bank ASA is increasing its stake in SpareBank 1 Markets AS from 5.57% to 33.34% by

spinning off SpareBank 1 SR-Bank Markets. and transferring this business to SpareBank 1 Markets AS. In addition, a NOK 132 million private placement will be carried out against SpareBank 1 SR-Bank ASA. This transaction strengthens the focus on capital markets, where the group has clear growth ambitions going forward. This focus will provide customers with a broader offer and the option of close follow-up and advice from one of the country's most proficient environments for capital market services. The transaction is subject to the approval of the authorities, including the Norwegian FSA and the Norwegian Competition Authority. The transaction is also subject to the application for tax relief pursuant to section 11-22 of the Taxes Act being granted by the Ministry of Finance. Assuming the necessary approvals are forthcoming, the transaction will be completed on 1 January 2023. The transaction will have a positive effect on SpareBank 1 SR-Bank's pre-tax profit amounting to NOK 421 million.

Financial performance – H1 2022

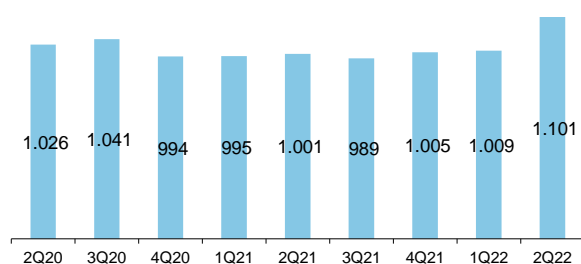
The group made a pre-tax profit of NOK 1,942 million in the first half of 2022 (NOK 1,839 million), NOK 103 million higher than in the first half of 2021, of which lower impairment provisions amounted to NOK 215 million.

The group's operating profit before impairment provisions decreased by NOK 112 million from NOK 2,018 million to NOK 1,906 million. Increases in net interest income and commissions and other operating income had a positive effect on the operating profit. Less income from financial investments and higher costs had a negative effect on the operating profit. The group's return on equity after tax for the first half of 2022 was 11.8% (12.4%).

Net interest income

The group's net interest income totalled NOK 2,115 million in the first half of 2022 (NOK 2,002 million). The 2021 figure included NOK 30 million in one-off interest income. Adjusted for this, this represents an increase of NOK 143 million. The increase was mainly due to increased lending volumes, improved interest margins and a higher return on equity due to higher interest rates. Lower lending margins in the retail market due to a rising interest rate path partially offset the positive effects.

Fig. 2 Net interest income



The average interest margin was 1.37% in the first half of 2022 (1.39%).

Net commissions and other operating income

Net commissions and other operating income totalled NOK 896 million in the first half of 2022 (NOK 856 million).

Table 1, Commission and other income

	30.06.22	30.06.21
Payment facilities	143	111
Savings/placements	71	114
Insurance products	131	112
Commission income real estate broking	208	242
Guarantee commission	58	48
Arrangement- and customer fees	60	74
Customer fees ForretningsPartner	207	145
Other	18	10
Total commission and other income	896	856

Income from money transfer services amounted to NOK 143 million in the first half of 2022 (NOK 111 million). The increase in income from money transfer services is a result of travel activities and credit card use picking up again after the Covid-19 restrictions last year.

Income from saving and investments amounted to NOK 71 million in the first half of 2022 (NOK 114 million). The decrease was due to portfolio income from asset management in SpareBank 1 Forvaltning AS now being recognised as profit contributions due to structural changes in which SR-Forvaltning AS was acquired by SpareBank 1 Forvaltning AS on 29 December 2021. Corrected for this, income from savings/investments increased by NOK 5 million. Income from insurance amounted to NOK 131 million (NOK 112 million) and both life insurance and non-life insurance saw good growth. Income from estate agency services amounted to NOK 208 million (NOK 242 million). The reduction was due to a strong end to

last year, which resulted in a low order reserve at the start of the year. Changes to the Alienation Act created a bottleneck in the supply of new assignments in the first few months of 2022. This improved from and including March and the level of activity has almost normalised again, although it is not like the record breaking year 2021. Income from facilitation amounted to NOK 60 million in the first half of 2022 (NOK 74 million). Income from SpareBank 1 SR-Bank ForretningsPartner AS amounted to NOK 207 million in the first half of 2022 (NOK 145 million). The increase was primarily due to the acquisition of Tveit Regnskap AS with effect from 15.4.2021.

Net income from financial investments

Net income from financial investments in the first half of 2022 totalled NOK 291 million (NOK 453 million).

Table 2, Income on investment securities

	30.06.22	30.06.21
Dividends	35	9
Investment income, associates	156	302
Income from financial instruments	100	142
- Capital gains/losses on securities	-82	132
- Capital gains/losses interest/currency	182	10
Total income on investment securities	291	453

In the first half of 2022, dividends received amounted to NOK 35 million (NOK 9 million), NOK 18 million of which was dividends from Sandnes Sparebank (in 2021 the dividends from Sandnes Sparebank were received in the fourth quarter) and NOK 12 million was dividends from SpareBank 1 Markets AS.

Income from associated companies amounted to NOK 156 million in the first half of 2022 (NOK 302 million). The ordinary profit contribution from SpareBank 1 Gruppen AS amounted to NOK 30 million (NOK 215 million), the profit contribution from BN Bank ASA amounted to NOK 96 million (NOK 82 million) and the profit contribution from SpareBank 1 Forvaltning AS amounted to NOK 36 million (NOK 6 million). Income from other associated companies amounted to NOK -6 million (NOK -1 million). For more information about the underlying results in associated companies, see the section on page 11.

Net income from financial instruments in the first half of 2022 totalled NOK 100 million (NOK 142 million). Value changes for securities amounted to NOK -82 million (NOK 132 million) and were due to value changes inclusive of hedging instruments totalling

NOK -108 million (NOK -41 million) from the fixed income portfolio and value changes totalling NOK 26 million (NOK 173 million) from the portfolio of equities and equity certificates. NOK 35 million of the total value changes for shares and equity certificates was due to the investment in SpareBank 1 Markets AS. The investment in Sandnes Sparebank also saw a change in value of NOK -24 million (NOK 72 million) and the group's portfolio of own funds saw a NOK -5 million change in value (NOK 13 million). The value of the investments in FinStart Nordic AS changed by NOK 17 million (NOK 73 million) in the first half of 2022. NOK 51 million of the NOK 73 million increase in value in FinStart Nordic AS in 2021 was linked to a realisation of a single investment in Boost Ai AS.

Value changes for interest and currency trading amounted to NOK 182 million in the first half of 2022 (NOK 10 million). Value changes for customer and own account trading amounted to NOK 103 million (NOK 62 million), the value of basis swaps changed by NOK 79 million (NOK -56 million), while the sum of hedging recognition and other IFRS effects was NOK 1 million (NOK 4 million) in the first half of 2022.

Operating costs

The group's operating costs amounted to NOK 1,396 million for the first half of 2022 (NOK 1,293 million).

Table 3, Operating expenses

	30.06.22	30.06.21
Personnel expenses	882	805
IT expenses	193	189
Marketing	46	37
Administrative expenses	45	28
Operating expenses from real estate	23	17
Other operating expenses	117	127
Depreciation	90	90
Total operating expenses	1.396	1.293

NOK 65 million of the total increase in costs was due to higher costs in SpareBank 1 SR-Bank ForretningsPartner AS, mainly due to the acquisition of Tveit Regnskap AS with effect from 15 April 2021. Fewer sales in the property market resulted in less activity in EiendomsMegler 1 SR-Eiendom AS and reduced costs by NOK 17 million. In addition, costs decreased by NOK 20 million as SR-Forvaltning AS no longer is being consolidated, following the sale to SpareBank 1 Forvaltning AS, in which the group now has an ownership stake of 35.6 per cent. Corrected for these items, costs grew by NOK 75 million, mainly due to increased personnel costs in the parent bank.

Personnel costs amounted to NOK 882 million in the first half of 2022 (NOK 805 million). Excluding the increased personnel costs in SpareBank 1 SR-Bank ForretningsPartner AS and reduced personnel costs in EiendomsMegler 1 SR-Eiendom AS and SR-Forvaltning AS, personnel costs increased by NOK 57 million compared with the same period last year. The change was mainly due to the increase of around 35 FTEs in the parent bank, as well as ordinary wage growth and increased provisions for variable remuneration from the first half of 2021. The increase in FTEs was due to, among other things, the greater focus on Oslo, SME & Agriculture and FTEs linked to anti-money laundering (AML) and sustainability.

Operating costs in excess of personnel costs were NOK 514 million in the first half of 2022 (NOK 488 million). Excluding the NOK 11 million increase in other operating costs in SpareBank 1 SR-Bank ForretningsPartner AS and the NOK 8 million reduction in operating costs from SR-Forvaltning AS due to the sale of the company, this represents an increase of NOK 23 million. The increase was due to marketing, increased administration costs and operating costs for properties.

The group's cost to income ratio, costs measured as a percentage of income, was 42.3% for the first half of 2022 (39.1%).

Impairments on loans and financial liabilities, and loans and financial liabilities in Stage 3

Net impairments on loans and financial liabilities amounting to NOK 36 million were reversed in the group in the first half of 2022 (NOK 179 million). NOK 122 million of the NOK 215 million reduction was due to reduced IFRS impairment provisions. Impairments on loans and financial liabilities were also reduced by NOK 93 million, which included a NOK 70 million increase in the uncertainty premium in connection with the war in Ukraine.

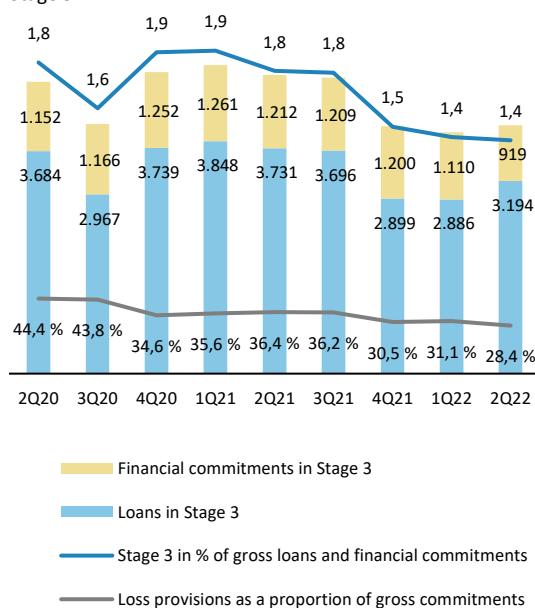
The group's impairments on loans and financial liabilities amounted to -0.03% of gross loans at the end of the first half of 2022 (0.16%).

Given our increased understanding of the impact of the pandemic, the uncertainty surrounding macroeconomic developments due to the pandemic shrank further in the quarter. On 24 February 2022, Russia invaded Ukraine and strict sanctions have been introduced against Russia and Belarus. When the financial statements for the first half of 2022 were

prepared, SpareBank 1 SR-Bank ASA had no significant exposure to these countries. The risks associated with the Ukraine war, including its impact on commodity and energy prices, are under continuous assessment by the bank and a comprehensive analysis has been conducted in which the corporate market portfolio was reviewed. The analysis shows that the customers' exposure is limited.

The group's loans and financial liabilities are classified into three groups: Stage 1, Stage 2 and Stage 3. Stage 3 is used for loans and financial liabilities that have seen a significant rise in credit risk since being granted and where there is objective evidence of a loss event on the balance sheet date. The loss provision must cover expected losses over their lifetime for these loans and financial liabilities. Gross loans and financial liabilities classified as Stage 3 amounted to NOK 4,113 million at the end of the first half of 2022 (NOK 4,943 million), of which provisions as a percentage of gross exposures were 28.4% (36.4%). Gross loans and financial liabilities classified as Stage 3 corresponded to 1.4% (1.8%) of gross loans and financial liabilities.

Fig. 3 Gross loans and financial commitments in Stage 3

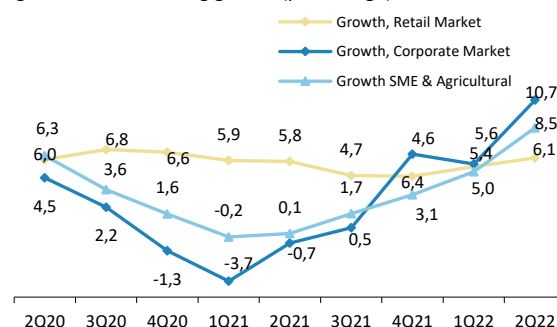


Loans to and deposits from customers

Gross loans amounted to NOK 242.9 billion at the end of the second quarter of 2022 (NOK 225.8 billion). Gross lending growth in the past 12 months was 7.6% (3.3%). Adjusted for exchange rate effects of NOK 1.4 billion in the past 12 months, gross lending growth was 7.0%.

The retail market has seen lending growth of 6.1% in the past 12 months, SME & agriculture has seen lending growth of 8.5% and corporate market has seen lending growth of 10.7% (8.9% adjusted for foreign exchange effects).

Fig. 4 12 month lending growth (percentage)



Loans to the retail market accounted for 62.4% of total loans at the end of the second quarter of 2022 (63.2%).

The group's total loan exposure of NOK 242.9 billion (NOK 225.8 billion) included a majority of exposures with a probability of default of less than 0.5%. These exposures accounted for 65.9% (65.3%) of the portfolio. The overall lending portfolio largely consisted of exposures of less than NOK 10 million. These accounted for 65.7% (67.8%) of loan exposure and 98.0% (98.2%) of total customers. Of the total loan exposure, 20.1% (18.4%) was to customers with exposures in excess of NOK 100 million.

Over the past 12 months, deposits from customers have increased by 6.9% (22.5%) to NOK 145.7 billion (NOK 136.2 billion). Excluding deposits from customers in the public sector, deposits have grown by 10.4% overall in the past 12 months, with growth of 9.0% in retail market, 10.1% in SME & agriculture and 12.9% in corporate market. At the end of the second quarter of 2022, deposits from retail customers accounted for 47.4% (46.5%) of the group's customer deposits. At end of the second quarter of 2022, the deposit-to-loan ratio, measured as deposits as a percentage of gross loans, was 60.0% (60.3%).

Business areas

SpareBank 1 SR-Bank ASA is split into different business areas, which are defined on the basis of their form of distribution, products, and customers. The reporting format is based on the risk and return profile of the assets and is split into retail market, SME & agriculture, corporate market, capital market and significant subsidiaries. The retail market division's

result and balance sheet items include the figures from SR-Boligkreditt AS.

Retail Market¹

Retail Market posted a contribution before impairment provisions of NOK 851 million in the first half of 2022 (NOK 850 million).

Table 4, Retail Market

	30.06.22	30.06.21
Interest income	839	861
Commission and other income	301	261
Income on investment securities	-	0
Total income	1.140	1.122
Total operating expenses	289	272
Operating profit before impairments	851	850
Impairments on loans and financial commitments	13	0
Pre-tax profit	838	850

Net interest income decreased by NOK 22 million, primarily due to lower interest margins that were in turn partially offset by lending growth. Net commissions increased by NOK 40 million from the first half of 2022. There has been a strong increase in income from payment services, NOK 21 million and income within insurance, NOK 19 million. The market turmoil is having a negative impact on activity within the area of savings.

Total operating costs came to NOK 289 million (NOK 272 million). The increase in FTEs was mainly linked to customer activity and intended to boost the bank's distribution power. An advice office was opened on the island of Askøy in January and in autumn a new branch will open in Arendal.

The lending volume in the retail market division was NOK 151.5 billion at the end of the second quarter. Retail Market is experiencing a high demand for loans, and lending had grown by 6.1% (NOK 8.9 billion) in the past 12 months at the end of the first half of 2022. The deposit volume was NOK 69.1 billion at the end of the second quarter, corresponding to a growth over the last 12 months of 9.0 per cent (NOK 5.7 billion).

¹ The interest on intercompany receivables for Retail market, SME & agriculture and Corporate market is fixed based on expected observable market interest rates (NIBOR) plus expected additional costs for the group's long-term funding (credit premium). Differences between the group's actual funding costs and the applied interest on intercompany receivables are eliminated at the group level.

The quality of the retail market portfolio is considered to be very good with a low risk of losses and low defaults. The proportion of loan exposure within 85% of the loan to value ratio was 95.4% at end of the second quarter of 2022 (92.9%). The model-calculated IRB risk weights² for residential mortgages was 18.1% at the end of the quarter (18.5%), and reflects a solid, stable portfolio. Due to regulatory requirements for minimum risk weights of 20% for residential mortgages, a 20% risk weight was used in the capital ratio reporting.

SME & Agriculture¹

SME & Agriculture received a contribution before impairment provisions of NOK 287 million in the first half of 2022 (NOK 243 million).

Table 5, SME & Agriculture

	30.06.22	30.06.21
Interest income	277	230
Commission and other income	63	55
Income on investment securities	2	1
Total income	342	286
Total operating expenses	55	43
Operating profit before impairments	287	243
Impairments on loans and financial commitments	-3	13
Pre-tax profit	290	230

The higher result before impairment provisions was mainly due to higher interest rates as a result of a higher deposit margin and increased deposit and lending volumes. The division's pre-tax profit was NOK 290 million in the first half of 2022 (NOK 230 million).

The lending volume in the division was NOK 17.2 billion at the end of the second quarter of 2022. In the past 12 months, the division's lending volume has increased by 8.5% (NOK 1.3 billion). The deposit volume has increased by 10.1% (NOK 1.5 billion) over the past 12 months to NOK 16.8 billion. The growth in the lending volume was largely due to the business community in our market area delivering good results and companies having accumulated greater surplus liquidity on account.

² The IRB rules define residential mortgage loans as exposures secured by collateral in residential/real property where the collateral in the real property amounts to at least 30%. The figures include the portfolio in SR-Boligkreditt AS.

The quality of the SME & Agriculture portfolio is considered very good, with a low risk of losses and low defaults. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 86.9% of the portfolio at the end of the second quarter of 2022 (86.0%).

Corporate Market¹

Corporate market' contribution before impairment provisions increased to NOK 877 million in the first half of 2022 (NOK 867 million). Interest income amounted to NOK 804 million in the first half of 2022, an increase of NOK 25 million compared with the same period last year and due to high lending growth. Commissions amounted to NOK 134 million in the first half of 2022, which is NOK 9 million higher than in the first half of 2021 and was mainly due to increased guarantee commissions. Previous impairment provisions were reversed in the first half of 2022 and the division's pre-tax profit improved by NOK 224 million to NOK 923 million in the first half of 2022 (NOK 699 million).

Table 6, Corporate Market

	30.06.22	30.06.21
Interest income	804	779
Commission and other income	134	125
Income on investment securities	19	33
Total income	957	937
Total operating expenses	80	70
Operating profit before impairments	877	867
Impairments on loans and financial commitments	-46	168
Pre-tax profit	923	699

The lending volume in the division was NOK 74.3 billion at the end of the second quarter. The division's lending volume has increased by 10.7% (NOK 7.2 billion) in the past 12 months. Adjusted for exchange rate effects of NOK 1.2 million, the division's lending volume has increased by 8.9% over the past 12 months. There was good growth in all market areas. The deposit volume in corporate market was NOK 60.7 billion at the end of the period. The division's deposits have increased by 3.3% (NOK 1.1 billion) in the past 12 months. Public sector customers have reduced their deposits compared with the same period last year, while other customers have increased their deposit volumes, geographically spread out across the entire market area.

³ Capital Market serves customers throughout the group and customer income is now recognised, in its entirety, in the business area to which the customer belongs.

The quality in corporate market is also considered good. The proportion of exposures with a probability of default of less than 2.5% through a full loss cycle was 86.8% of the portfolio at the end of the first half of 2022 (85.5%). The property sector portfolio represents the group's largest concentration in a single sector and accounted for 13.9% (14.2%) of total loan exposure. A large portion of this portfolio consisted of financing commercial properties for leasing.

The risks associated with the Ukraine war, including its impact on commodity and energy prices, are under continuous assessment by the bank. A comprehensive analysis has been conducted in which the corporate portfolio was reviewed. The analysis shows that the customers' exposure is limited. At the same time, it appears that most of the effects of the pandemic are now behind us. Overall, this resulted in the reversal of previous individual impairment provisions amounting to NOK 46 million in the corporate market in the first half of 2022 (NOK 168 million in recognised impairment provisions).

Capital Market³

Securities activities are organised under the SR-Bank Markets brand and include customer and own account trading in fixed income instruments, foreign exchange and Corporate Finance services. In June 2022, SpareBank 1 SR-Bank ASA announced a greater focus on capital markets through the acquisition of shares in SpareBank 1 Markets AS. SpareBank 1 SR-Bank ASA is increasing its stake in SpareBank 1 Markets AS by spinning off SR-Bank Markets and transferring this business to SpareBank 1 Markets AS. Assuming the necessary approvals are forthcoming, the transaction will be completed on 1 June 2023.

SR-Bank Markets' operating income amounted to NOK 115 million in the first half of 2022 (NOK 131 million). The income generated is recognised as income in the business areas to which the customers are assigned, primarily Large Corporates. NOK 42 million was recognised as income in the business areas in the first half of 2022 (NOK 54 million). The pre-tax profit amounted to NOK 39 million in the first half of 2022 (NOK 43 million).

Table 7, Capital market

	30.06.22	30.06.21
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Interest income	3	15
Commission and other income	45	64
<u>Income on investment securities</u>	<u>67</u>	<u>52</u>
Total income	115	131
- allocated to Corporate market	42	54
Total income after allocation	73	77
<u>Total operating expenses</u>	<u>34</u>	<u>34</u>
Pre-tax profit	39	43

Total business volumes were at a normal level in the last quarter. SR-Bank Markets is not expecting any major changes in the next few quarters.

Subsidiaries

EiendomsMegler 1 SR-Eiendom AS

The company posted a turnover of NOK 213 million for the first half of 2022 (NOK 247 million) and a pre-tax profit of NOK 30.7 million (NOK 47.0 million). The reduction was due to a strong end to last year, which resulted in a low order reserve at the start of the year. Changes to the Alienation Act created a bottleneck in the supply of new assignments in the first few months of 2022. This improved from and including March, and the level of activity has almost normalised again, although it is not like the record breaking year 2021. Demand is high but the supply side in the market is weaker than last year, which is natural given the higher interest rates and an otherwise turbulent macro picture.

In the first half of 2022, 3,477 (4,096) properties were sold with a total value of around NOK 11.9 billion (NOK 14.4 billion). The supply of new assignments was marginally weaker than in the corresponding period last year with a 6% reduction compared with a national reduction of 8%.

Overall, the company is the largest actor in real estate brokerage in the counties of Rogaland, Vestland and Agder, with a stable market share of just under 20%.

The housing market was strong in the first half of 2022, despite the higher interest rates than last year and was characterised by high purchasing power. From a 5-year perspective, the number of transactions so far is 1% behind the average for the last 5 years. The demand for all types of homes was high, especially for detached and terraced houses. A majority of homes achieved prices above their anticipated price and the time they took to sell was historically short at 26 days. The market for holiday properties remains good, although the market is trending towards a levelling off of prices.

Prices in the main market of Nord-Jæren have risen by 7.9% in the past 12 months, while Kristiansand saw price growth of 9.2% and Bergen 6.8%. The growth in prices in the specified areas has thus been higher than the growth in prices nationwide, which was 6.3% for the past 12 months. An increase in the supply of homes in autumn may curb the growth in prices, although the property market is expected to remain strong.

The commercial property market was good in the first half of 2022, with higher levels of activity in both leasing and transactions. Despite a good level of activity, income decreased by NOK 4.4 million compared with the strong first half of 2021.

New builds saw a reduction in income compared with a strong first half of 2021. The market is markedly down due to higher material costs, which is resulting in delays and uncertainty surrounding starting projects.

SpareBank 1 SR-Bank ForretningsPartner AS

SpareBank 1 SR-Bank ForretningsPartner AS posted a turnover of NOK 221.4 million for the first half of 2022 (NOK 156.0 million) and a pre-tax profit of NOK 14.3 million (NOK 18.4 million). The increase in turnover is mainly due to the full half-year effect of Tveit Regnskap AS (acquisition with effect from 15 April 2021). The result so far this year is weaker than the same period last year and is primarily due to extraordinary income last year related to mergers and acquisitions as well as increased costs related to integration work in 2022. The result includes depreciation of intangible assets amounting to NOK 3.2 million (NOK 2.3 million).

SpareBank 1 SR-Bank ForretningsPartner AS has through a number of acquisitions, the latest of which was Tveit Regnskap AS in April 2021, established a solid market position in accounting services, with offices in Rogaland, Vestland, Oslo and Agder. It is now one of the country's largest actors within accounting and consulting services.

SR-Boligkreditt AS

The company posted a pre-tax profit of NOK 663.3 million for the first half of 2022 (NOK 254.0 million). The improved profit was mainly due to a positive market value adjustment of basis swaps. Net interest income decreased by NOK 109.2 million from the first

half of 2021 to NOK 367.8 million in the first half of 2022. The market value of basis swaps was NOK 329.9 million in the first half of 2022, compared with NOK -186.7 million in the same half-year last year.

The company's purpose is to purchase residential mortgages from SpareBank 1 SR-Bank ASA, and it funds this by issuing covered bonds. SR-Boligkreditt AS enables the parent company to diversify and optimise its funding. Moody's has given SR-Boligkreditt AS its best rating, Aaa. At the end of the second quarter of 2022, the company had issued covered bonds with a nominal value of NOK 78.0 billion (NOK 82.8 billion) and bought loans worth NOK 99.8 billion (NOK 90.5 billion) from SpareBank 1 SR-Bank ASA.

FinStart Nordic AS

FinStart Nordic AS invests in, and contributes to the development and growth of, innovative financial technology companies. The aim is to strengthen and expand the group's existing value chains and contribute to the streamlining of its core business through the supply of innovative products and services. At the same time, FinStart Nordic AS is looking to achieve a financial return on the company portfolio. The company also manages a portfolio from a former subsidiary that primarily had investments linked to the oil industry.

The company posted a pre-tax profit of NOK 12.0 million for the first half of 2022 (NOK 69.1 million). Year to date, the value of the financial technology (fintech) portfolio has increased by NOK 6.7 million (NOK 51.0 million) and the value of investments in the oil industry has increased by NOK 9.9 million (NOK 22.6 million). Last year, a sell-down in Boost.ai AS significantly contributed to the positive change in value in the fintech portfolio.

The change in the value of the fintech portfolio is based on ongoing valuations of a portfolio of early-stage companies.

FinStart receives a considerable number of enquiries concerning partnerships and investment opportunities in Norway and the Nordic region. New fintech or tech investments are assessed on an ongoing basis in order to strengthen or further develop existing value chains through partnerships and innovative companies that can strengthen the group's capacity for business development and innovation.

Monio AS

Monio AS (formerly Monner AS) is a payment company and a registered loan arranger. Monio AS is a licensed payment initiation service provider (PISP) and account information service provider (AISP) under the PSD2 Regulation.

Monio AS posted a deficit of NOK 8.3 million in the first half of 2022 (NOK 57.7 million). The negative result was in line with expectations and due to the company being in a development phase, which means that costs from products and market development will be higher than earnings. In the first half of 2021, NOK 70.3 million of the profit was related to the gain from the sale of Monner Gründer's business to SpareBank 1 SR-Bank ASA. The gain was eliminated in the consolidated accounts.

Monio AS arranges direct loans from private investors (people and limited liability companies) to small and medium-sized Norwegian companies via its proprietary digital platform. At the end of the second quarter of 2022, the company had arranged loans totalling NOK 850 million (NOK 480 million) for Norwegian enterprises. The company's main product is arranging secured loans for property projects. The market for crowd-funded business loans grew well. Monio AS arranged loans for NOK 204 million in the first half of 2022 compared with NOK 161 million for the first half of 2021.

Key associated companies

SpareBank 1 Alliance

The SpareBank 1 Alliance is Norway's second largest financial group and is a banking and product partnership in which the SpareBank 1 banks in Norway cooperate in order to keep them strong and independent. The purpose of the alliance is to procure and provide competitive financial services and products, and to exploit economies of scale in the form of lower costs and/or higher quality. The alliance is run through its ownership and participation in SpareBank 1 Utvikling DA, while the development and operation of product companies is organised through the banks' ownership of the holding company SpareBank 1 Gruppen AS.

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS owns 100% of the shares in SpareBank 1 Forsikring AS, SpareBank 1 Factoring AS, Modhi Finance AS and SpareBank 1 Spleis AS. SpareBank 1 Gruppen AS also owns 65% of the shares in Fremtind Forsikring AS and 49% of the shares in LO

Favør AS. SpareBank 1 SR-Bank ASA owned a 19.5% stake in SpareBank 1 Gruppen AS at the end of the second quarter of 2022.

SpareBank 1 Gruppen AS posted a significantly weaker result for the first half of 2022 than for the corresponding period last year. The pre-tax profit amounted to NOK 307 million (NOK 2,000 million). The profit after tax amounted to NOK 237 million (NOK 1,549 million). The controlling interest's share of the net profit amounted to NOK 149 million (NOK 1,102 million). The poorer result was due to a weak equity market and a negative change in value in the fixed-income portfolio in the insurance companies, as well as a significant incidence of natural damage in Fremtind Forsikring. The annualised return on equity was 3.3% (22.2%).

The Fremtind Forsikring Group saw a significantly lower result in the first half of 2022 due to a poorer insurance and financial result. The insurance result was affected by a negative result in the group portfolio, a high incidence of natural damage, and a higher claims ratio. The financial result was lower than in the same period last year due to a negative return on equities and the negative development of fixed income securities. The return on equities for the year to date amounts to -17.5%, compared with 14.7.% last year.

SpareBank 1 Forsikring AS posted a pre-tax result of NOK -27 million for the first half of 2022 (NOK 204 million). The result for the first half of 2022 was affected by a lower management result due to lower fee income and higher operating costs. In addition to this, the interest result was significantly weaker due to a poorer return on the company portfolio and the adjustment of property values.

SpareBank 1 Utvikling DA

SpareBank 1 Utvikling DA delivers business platforms and common management and development services to the alliance banks. The company contributes to joint activities that provide the banks with benefits in the form of economies of scale and expertise. The company also owns and manages the alliance's intellectual property rights under common brand name: SpareBank 1. SpareBank 1 SR-Bank ASA owned an 18.0% stake in SpareBank 1 Utvikling DA at the end of the second quarter of 2022.

SpareBank 1 Forvaltning AS

SpareBank 1 Forvaltning AS delivers products and services designed to streamline and simplify savings

for its customers. The SpareBank 1 Forvaltning group was established on 1 May 2021. The company consists of the subsidiaries ODIN, SpareBank 1 Kapitalforvaltning AS, SpareBank 1 Verdipapirservice AS and SR-Forvaltning AS. SR-Forvaltning AS was acquired by SpareBank 1 SR-Bank ASA on 29 December 2021. SpareBank 1 Forvaltning AS is owned by the SpareBank 1 banks and the Norwegian Confederation of Trade Unions (LO). SpareBank 1 SR-Bank ASA's stake was 35.6% at the end of the second quarter of 2022.

SpareBank 1 Forvaltning AS posted a pre-tax profit of NOK 137 million for the first half of 2022.

BN Bank ASA

BN Bank ASA is a nationwide bank with its head office in Trondheim. BN Bank ASA posted a pre-tax profit of NOK 367 million in the first half of 2022 (NOK 314 million). The improvement in the result was largely due to increased income. Net interest income increased by NOK 73 million and other operating income increased by NOK 24 million compared with the same period last year. NOK 15 million in impairment provisions were recognised as costs in the first half of 2022, while NOK 21 million in impairment provisions were reversed in the first half of 2021.

The bank is owned by the banks in the SpareBank 1 Alliance. SpareBank 1 SR-Bank ASA's stake was 35.0% at the end of the second quarter of 2022.

SpareBank 1 Kreditt AS

SpareBank 1 Kreditt AS is owned by the SpareBank 1 banks. SpareBank 1 SR-Bank ASA owns a stake of 16.1%. The company provides credit card solutions for the SpareBank 1 banks and posted a pre-tax profit of NOK 42 million for the first half of 2022 (NOK 8 million). The improvement in the result was mainly due to society being largely shut down in the first half of 2021, plus solid growth related to refinancing products in 2022. Impairment provisions amounted to NOK 4 million in the first half of 2022, down from NOK 36 million in the same period last year.

SpareBank 1 Betaling AS

The SpareBank 1 banks jointly own SpareBank 1 Betaling AS. SpareBank 1 SR-Bank ASA's stake is 19.2%. SpareBank 1 Betaling AS owns a 23.1% stake in Vipps AS.

SpareBank 1 Betaling AS posted a pre-tax result of NOK -25.8 million for the first half of 2022 (NOK -26.2

million). The negative profit contribution was due to its share of the operating loss in Vipps AS.

Funding and liquidity

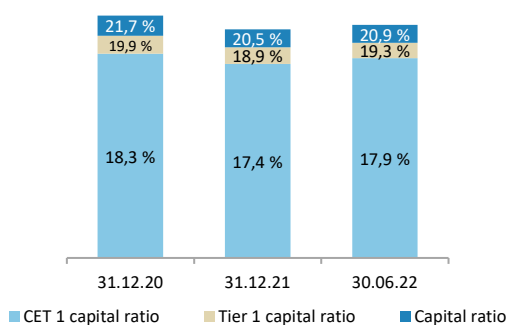
SpareBank 1 SR-Bank ASA had good liquidity at the end of the second quarter of 2022 and believes it will continue to have good access to long-term funding at competitive prices. The group strives to achieve an even maturity structure for funding and believes it is important to have good relations with Norwegian and international investors and banks. The liquidity buffer⁴ was NOK 48.9 billion at the end of the second quarter of 2022 and would cover normal operations for 27 months in the event of closed markets and without net lending growth. NOK 21.1 billion of the bank's external funding will come due in the next 12 months. In addition to the liquidity buffer, the bank has NOK 22.0 billion in residential mortgages ready for covered bond funding.

The group has continued to enjoy a high proportion of long-term funding in the past 12 months. The group's net stable funding ratio (NSFR⁵) was 126% at the end of the second quarter of 2022 (122%), which confirms the group's good funding situation. SpareBank 1 SR-Bank ASA has an A1 long-term rating and a P-1 short-term rating from Moody's.

Capital adequacy

At the end of the second quarter of 2022, the Common Equity Tier 1 capital ratio was 17.9%, compared with 17.4% as at 31.12.2021, up 49 basis points. The 'banking package' (CRR II/CRD IV) came into force in the second quarter of 2022 and reduced the risk-weighted assets by NOK 3.4 billion, equivalent to approximately 47 basis points.

Fig. 5 Capital adequacy



⁴ Liquidity buffer: cash, short-term investments, and drawing rights in Norges Bank (bonds, including covered bonds). Assuming deposits and lending remain unchanged and no new borrowing during the period.

The total requirement for SpareBank 1 SR-Bank ASA's Common Equity Tier 1 capital ratio was 15.85% at the end of the second quarter of 2022. The requirement includes a systemic risk buffer, countercyclical buffer, Pillar 2 premium and Pillar 2 Guidance margin.

The Tier 1 capital ratio was 19.3%, while the total capital ratio was 20.9% at the end of the second quarter of 2022. This is well above the required capital ratio of 19.35%, including a Pillar 2 Guidance margin of 1.25%.

A countercyclical buffer requirement applies in Norway in the range of 0-2.5 percentage points in the form of Common Equity Tier 1 capital. The purpose of the countercyclical buffer is to make the banks more solid and robust in relation to lending losses. The capital buffer requirement amounted to 2.5 percentage points at the end of 2019. As a result of the Covid-19 situation, the countercyclical buffer requirement was reduced by 1.5 percentage points to 1.0% with effect from March 2020. In June 2021, the Norwegian FSA decided to increase the capital requirement for the countercyclical buffer by 0.5 percentage points to 1.5% with effect from 30 June 2022. In December 2021, a decision was made to further increase the countercyclical buffer requirement by 0.5 percentage points to 2.0% with effect from 31 December 2022. In March 2022, a decision was made to introduce a full countercyclical buffer of 2.5% with effect from 31 March 2023.

The Pillar 2 premium is an institution-specific premium intended to ensure that Norwegian banks have adequate capital to cover the risk associated with operations, including risks not covered by the regulatory minimum requirement.

In April 2022, the Norwegian FSA set an individual Pillar 2 premium for the group of 1.6 percentage points, down from the 1.7 percentage points set in 2018. The authority also expects the group to have a Pillar 2 Guidance margin of 1.25%, up from 1.0%. The Norwegian FSA's decision became effective on 30 April 2022.

In March, the board adopted a new target for the Common Equity Tier 1 capital ratio of at least 16.85%. This includes a full countercyclical buffer of 2.5%.

⁵NSFR is calculated in accordance with guidelines from the Financial Supervisory Authority of Norway and is calculated as available stable funding relative to necessary stable funding.

New crisis management directive and MREL

Based on the EU Crisis Management Directive (BRRD), the group will have to meet a minimum requirement for own funds and eligible liabilities (MREL). On 15 October 2020, the Ministry of Finance published a consultation paper on the introduction of BRRD2 in Norway, which entails an MREL requirement of 34.4% and an MREL subordination requirement of 27.4%. The requirement for lower priority (non-preferred senior debt) must be met by 1 January 2024 and can be phased in by SpareBank 1 SR-Bank ASA including senior debt up to this date, provided that it meets the general requirements for eligible liabilities. At the end of the second quarter of 2022, SpareBank 1 SR-Bank ASA was carrying senior debt that falls due after 30 June 2022 amounting to NOK 36.1 billion and had issued non-preferred senior debt of NOK 7.2 billion. This requirement is, therefore, met by a good margin.

The bank's share

The price of the bank's share (SRBNK) was NOK 106.70 at the end of the second quarter of 2022. This resulted in an effective negative return of 15.4% from the end of 2021. The Oslo Børs's main index fell by 2.6% in the corresponding period (not corrected for dividends). 5.2% of outstanding SRBNK shares were traded in the second quarter of 2022 (5.5%).

Fig.6, Development in Price/Book



There were 18,095 shareholders of SRBNK at the end of the second quarter of 2022 (15,294). The proportion owned by foreign companies and individuals was 22.4% (22.7%), while 65.7% (65.5%) were resident in Rogaland, Agder, Vestland, Oslo and Viken. The 20 largest shareholders owned a combined total of 55.9% of the shares (57.1%). The bank held 30,024 treasury shares, while employees of the group owned 1.7% (1.7%).

The table below shows the 20 largest shareholders as at 30.6.2022:

Table 8, 20 largest shareholders

	Number of shares (1,000)	%
Sparebankstiftelsen SR-Bank	72.419	28,3 %
Folketrygdfondet	18.261	7,1 %
SpareBank 1-stiftinga Kvinnherad	6.227	2,4 %
Brown Brothers Harriman & Co, U.S.A.	6.206	2,4 %
State Street Bank and Trust Co, U.S.A.	4.825	1,9 %
JPMorgan Chase Bank NA, U.S.A.	3.441	1,3 %
Odin Norge	3.019	1,2 %
Verdipapirfondet Alfred Berg Gambak	2.922	1,1 %
Pareto Aksje Norge	2.833	1,1 %
State Street Bank and Trust Co, U.S.A.	2.415	0,9 %
Danske Invest Norske Instit. II	2.318	0,9 %
State Street Bank and Trust Co, U.S.A.	2.300	0,9 %
J.P.Morgan SE, Luxembourg	2.299	0,9 %
Spesialfondet Borea Utbytte	2.203	0,9 %
Pareto Invest Norge AS	2.054	0,8 %
Vpf Nordea Norge Verdi	1.962	0,8 %
AS Clipper	1.874	0,7 %
KLP Aksjenorge Indeks	1.854	0,7 %
Westco AS	1.847	0,7 %
The Bank of New York Mellon SA, Belgia	1.767	0,7 %
Total 20 largest	143.047	55,9 %

The group established a share savings arrangement for the group's employees in 2019, and the scheme has been continued in 2022. All permanent employees have an opportunity to purchase shares for a specified savings amount, limited to a maximum of NOK 3,000 per employee per month, at a 30% discount and with a lock-in period of 2 years. More than 1,150 of the group's almost 1,600 employees have signed a regular savings agreement for the share savings scheme in 2022.

Accounting policies

Please refer to notes 1 and 2 for a description of the accounting policies and judgements applied in the parent company's and consolidated financial statements. The same accounting policies are applied in interim and annual financial statements. For more information about this see notes 1 and 2.

Events after the balance sheet date

No material events have been registered after 30 June 2022 that affect the interim financial statements as prepared.

Sustainable development

The business sector's focus on sustainability has significantly increased recently. SpareBank 1 SR-Bank ASA thinks this is a positive development and sees great opportunities in the green shift. The group is actively striving to contribute to sustainable development and believes it has a responsibility to be part of the solution and a proactive ally in the transition to a more sustainable society. In autumn 2021, the group adopted a new sustainability strategy as part of its corporate strategy. The ambition is for sustainability to form an integral part of everything the group does. SpareBank 1 SR-Bank ASA will work to help achieve the Paris Agreement's goal of limiting global warming to 1.5°C. The group has set itself the goals of becoming climate neutral by the end of 2022 and achieving net zero emissions from its lending and investment activities by 2050 to underpin this ambition. A target of funding NOK 50 billion in sustainable activities by 2030 has also been set. The group supports the UN Sustainable Development Goals and has selected three goals that it is particularly focusing on: Goal 5 Gender equality, Goal 8 Decent work and economic growth, and Goal 13 Climate action. The group has developed specific targets for these.

Regulatory matters

Sustainable finance is in the process of transitioning from being almost unregulated to being regulated in several areas. In Norway, it is primarily the Act on sustainability disclosures in the financial services sector and a framework for sustainable investments that is showing the way. This Act enacts the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU taxonomy for sustainable activities into Norwegian law. It will make it easier for investors to compare investments and also reduce the risk of greenwashing. Additionally, the Norwegian Transparency Act, which came into force on 1.7.2022, sets requirements for how companies manage the risk associated with human rights and transparency related to the dark side of global value chains. SpareBank 1 SR-Bank ASA has included taxonomy-related information from and including the annual report for 2021 in line with the wishes of the Ministry of Finance. The group will closely monitor how sustainable finance regulations develop and continue to ensure that the applicable requirements are met at all times.

Key initiatives in 2022

The sustainability strategy that was approved in autumn 2021 set in motion a number of internal

processes that will run through 2022. One particularly important project is a group-wide sustainability competence programme. One of the ambitions in the strategy is to ensure that all employees of SpareBank 1 SR-Bank ASA have an active and responsible relationship to sustainability, and to achieve this it is important that the group offers relevant training. The skills boost is a multi-phase project that will run over the next 2-3 years. The central sustainability department will also hire more people to strengthen our internal capacity to implement the measures set out in the sustainability strategy.

The corporate market division has over time strengthened its integration of sustainability into its work with customers. A framework for categorising sustainable financing activities has been finalised in the first half of 2022, and a process for qualifying sustainable funding has been developed. The division's expertise within sustainability has also been strengthened through various training activities and sustainability champions have been appointed to lead their respective branches.

Outlook

The news in 2020 and 2021 was dominated by the Covid-19 pandemic. Given our increased understanding of the impact of the pandemic and the full reopening of society, the uncertainty surrounding macroeconomic developments due to the pandemic shrank further in 2022.

On 24 February 2022, Russia invaded Ukraine resulting in strict sanctions being imposed on Russia and Belarus. When the financial statements for the second quarter of 2022 were prepared, SpareBank 1 SR-Bank ASA had no significant exposure to these countries. The risks associated with the Ukraine war, including its impact on commodity and energy prices, are under continuous assessment by the bank and a comprehensive analysis has been conducted in which the corporate market portfolio was reviewed. The analysis shows that the customers' exposure is very limited. In addition, a number of measures have been implemented to secure the bank's IT infrastructure and prevent potential cyberattacks on its most critical systems and processes.

The Norwegian economy developed positively in 2021 and it has strengthened further in 2022, with higher energy prices, a good property market and falling unemployment. However, less international demand and a more volatile oil price, as well as shortages within some factor inputs for the manufacturing

industry, are expected to affect economic development going forward. According to the latest updated forecasts, the IMF expects the global economy to grow by 2.9% in 2022. The growth is expected to be highest in industrialised countries, with somewhat lower growth in emerging economies due to lower Covid-19 vaccination rates.

Unemployment in Norway has fallen from 2.6% at the start of the year to 1.6% at the end of the second quarter of 2022. Unemployment is now at historically low levels. The housing market and private consumption are being stimulated by low mortgage rates, and good demand for loans is expected in the retail market going forward, despite indications of a higher policy rate. Expectations of higher wage growth in 2022 will partly offset the effect of increased mortgage rates. The actual growth in house prices so far this year has been 8.8% and Real Estate Norway does not expect price rises to diminish immediately despite higher interest rates. Electricity prices in Norway, and Southern Norway in particular, have been record high so far this year. It is assumed that the power price will remain markedly higher in the coming years as well. The government has introduced a power support scheme for private individuals, but no corresponding scheme has yet been introduced for companies. Norges Bank expects that higher electricity prices will reduce private consumption.

According to the latest forecasts from Statistics Norway, 3.7% GDP growth is expected for Mainland Norway in 2022. Due to the ripple effects of the pandemic, the Norwegian Petroleum Directorate expects oil investments on the Norwegian Continental Shelf to decrease slightly in 2022, before investments are expected to rise again in 2023-2025. Statistics Norway expects price inflation, adjusted for energy and taxes, to be 3.1% in 2022.

Norges Bank raised its policy rate in 2021 with 0.25-percentage point hikes in both September and December. On 23 March 2022, Norges Bank decided to raise its policy rate from 0.50 per cent to 0.75 per cent and on 22 June 2022 Norges Bank decided to raise its policy rate by a further 0.50 per cent to 1.25 per cent. The market expects a further three rate hikes in the second half of 2022 of 0.25 percentage points each. In connection with Norges Bank raising its policy rate in June 2022, SpareBank 1 SR-Bank ASA has announced interest rate increases of up to 0.50 percentage points with effect for existing portfolios from 8 August 2022.

The group's long-term return on equity target is a minimum of 12%. The target will be achieved through profitable lending growth, moderate impairment provisions, growth in other operating income, gains from financial investments, and greater cost-effectiveness. The group's target for cost/income ratio is below 40%.

The group has a Common Equity Tier 1 capital ratio target of a minimum of 16.85%. SpareBank 1 SR-Bank ASA is a solid, profitable group and has in recent years increased its financial strength in line with the authorities' requirements. This was achieved through earnings via a business model involving good breadth in earnings and efficient operations.

SpareBank 1 SR-Bank ASA's dividend policy remains unchanged, with an expected dividend of around 50% of the profit for the year. Consideration must be given to financial needs, including capital adequacy requirements and the group's targets and strategic plans, when determining the annual dividend.

For a long time, the group has been systematically working to increase efficiency through digitalisation and automation, both internally and in relation to customers. More and more of the group's retail customers are purchasing their products via self-service solutions. In the first half of 2022, 70% of all products and services were purchased via a digital channel and 94% of all mortgage applications were completed digitally by the customer themselves. The pandemic has contributed to a general improvement in the digital skills of customers, and it is assumed that more customers will continue to choose self-service solutions. Further developing digital tools will be important in order to meet the customers' needs, streamline operations and, thereby, improve competitiveness going forward.

SpareBank 1 SR-Bank ASA is a proactive financial services group with strong distribution. As Norway's second largest privately owned bank, the group provides financial muscle for growth, value creation, and profitability for customers, society, and our owners. The group is a bank for the whole of Southern Norway, in which the Oslo region is a particular focus area. Having a presence in this market is important with respect to geographical diversification and creating a greater basis for growth, and thus earnings. Now that society has reopened, the group is well-positioned for further growth.

Stavanger, 10 August, 2022

The Board of Directors of SpareBank 1 SR-Bank ASA

Income statement

Parent bank					Note	Group				
Q2 2021	Q2 2021	Q2 2022	01.01.21 - 30.06.21	01.01.22 - 30.06.22		01.01.22 - 30.06.22	01.01.21 - 30.06.21	Q2 2022	Q2 2021	Q2 2021
					Income statement (MNOK)					
3.055	726	1.001	1.498	1.893	Interest income amortised cost	3.345	2.690	1.767	1.327	5.474
1.160	291	434	581	817	Interest income other	327	183	121	98	345
1.585	370	592	761	1.119	Interest expenses amortised cost	1.396	991	743	488	2.039
-386	-103	-76	-198	-150	Interest expenses other	161	-120	44	-66	-221
3.016	750	919	1.516	1.741	Net interest income	2.115	2.002	1.101	1.003	4.001
1.019	235	276	495	542	Commission income	933	897	486	471	1.801
91	18	23	43	42	Commission expenses	42	44	23	19	90
12	3	4	6	8	Other operating income	5	3	3	2	6
940	220	257	458	508	Net commission and other income	896	856	466	454	1.717
30	8	13	9	31	Dividend income	35	9	16	9	30
1.106	1.087	913	1.106	913	Income from investment in associates	156	302	83	193	676
293	69	-49	156	-127	Net gains/losses on financial instruments	100	142	5	39	320
1.429	1.164	877	1.271	817	Net income on financial investments	291	453	104	241	1.026
5.385	2.134	2.053	3.245	3.066	Total income	3.302	3.311	1.671	1.698	6.744
1.182	277	303	548	603	Personnel expenses	882	805	438	423	1.722
636	159	172	299	327	Other operating expenses	424	398	224	212	817
142	33	33	70	73	Depreciation/ impairments on tangible and intangible assets	90	90	40	46	175
1.960	469	508	917	1.003	Total operating expenses	1.396	1.293	702	681	2.714
3.425	1.665	1.545	2.328	2.063	Operating profit before impairments	1.906	2.018	969	1.017	4.030
193	58	-61	179	-47	Impairments on loans and financial commitments	3, 4	-36	179	-52	192
3.232	1.607	1.606	2.149	2.110	Pre-tax profit	12	1.942	1.839	1.021	959
468	114	173	232	275	Tax expense	393	305	225	143	682
2.764	1.493	1.433	1.917	1.835	Profit after tax	1.549	1.534	796	816	3.156
2.697	1.479	1.412	1.885	1.794	Shareholders' share of the profit	1.508	1.502	775	802	3.089
67	14	21	32	41	Hybrid capital owners' share of the profit	41	32	21	14	67
					Non-controlling interests		-	-	-	-
2.764	1.493	1.433	1.917	1.835	Profit after tax	1.549	1.534	796	816	3.156
					Other comprehensive income					
-72	-7	16	-5	39	Unrecognised actuarial gains and losses	39	-5	16	-7	-72
18	2	-4	1	-10	Deferred tax concerning changed estimates/pension plan changes	-10	1	-4	2	18
		12	-4	29	Total items not reclassified through profit or loss	29	-4	12	-5	-54
-2	-	-1	-	1	Change in ECL ¹⁾ 12 months	-	-	-	-	-
			-	-	Basis swap spread	121	-85	7	-34	-58
			-	-	Deferred tax concerning basis swap spread	-30	21	-2	8	15
			-	-	Share of profit associated companies and joint ventures	11	6	7	2	10
-2	-	-1	-	1	Total items reclassified through profit or loss	102	-58	12	-24	-33
-56	-5	11	-4	30	Other comprehensive income	131	-62	24	-29	-87
2.708	1.488	1.444	1.913	1.865	Total comprehensive income	1.680	1.472	820	787	3.069
					Earnings per share (group)	5,90	5,87	3,03	3,13	12,08

¹⁾ ECL - Expected credit loss

Balance sheet

Parent bank				Note	Group		
31.12.21	30.06.21	30.06.22	Balance sheet (MNOK)		30.06.22	30.06.21	31.12.21
78	137	77	Cash and balances with central banks		77	137	78
13.214	18.458	16.509	Balances with credit institutions		1.319	9.588	5.366
139.260	132.309	141.739	Loans to customers	4, 8	241.223	223.457	228.578
54.321	49.133	49.104	Certificates and bonds		51.684	50.997	56.266
6.713	6.281	20.034	Financial derivatives	10	14.067	5.396	5.053
694	747	709	Shares, ownership stakes and other securities	17	1.027	1.049	1.001
2.363	2.385	2.395	Investment in associates		4.894	4.592	4.894
7.569	7.586	7.569	Investment in subsidiaries		-	-	-
70	70	70	Intangible assets	0	455	473	458
565	1.016	556	Deferred tax assets		595	1.035	598
283	276	270	Tangible fixed assets		971	981	979
881	891	870	Lease rights	18	325	351	335
361	1.378	1.555	Other assets	5	2.005	1.883	796
226.372	220.667	241.457	Total assets	12	318.642	299.939	304.402
3.361	3.465	2.900	Balances with credit institutions		2.428	2.690	2.634
138.043	136.564	146.000	Deposits from customers	7	145.667	136.209	137.664
44.116	40.024	41.915	Listed debt securities	11	119.822	122.095	122.276
5.495	7.404	14.112	Financial derivatives	10	11.197	3.515	3.203
-	232	275	Taxes payable		433	320	232
920	920	913	Liabilities associated with lease rights	18	349	374	359
269	203	228	Pension liabilities	14	235	210	277
153	227	169	Impairments on financial commitments	4	169	227	153
518	2.997	1.559	Other liabilities	6	1.859	3.184	830
7.465	2.557	7.194	Senior non-preferred bonds	11	7.194	2.557	7.465
2.130	2.139	2.148	Subordinated loan capital	11	2.148	2.139	2.130
202.470	196.732	217.413	Total liabilities		291.501	273.520	277.223
6.394	6.394	6.394	Share capital		6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve		1.587	1.587	1.587
1.535	-	-	Proposed dividend		-	-	1.535
1.850	1.850	1.700	Hybrid capital		1.700	1.850	1.850
12.536	12.187	12.528	Other equity		15.911	15.054	15.813
	1.917	1.835	Profit/loss at period end		1.549	1.534	
23.902	23.935	24.044	Total equity		27.141	26.419	27.179
226.372	220.667	241.457	Total liabilities and equity	12	318.642	299.939	304.402

Statement of changes in equity

SpareBank 1 SR-Bank Group (MNOK)	Share- capital	Premium reserve	Hybrid- capital	Non- controlling interests	Other equity	Total equity
Equity as at 31.12.2020	6.394	1.587	1.850	5	16.557	26.393
Profit after tax				-	3.156	3.156
Unrecognised actuarial gains and losses after tax					-54	-54
Basisswap spread after tax					-43	-43
Share of profit associated companies and joint ventures					10	10
Total comprehensive income				-	3.069	3.069
Hybrid capital						-
Interest on hybridcapital after tax					-67	-67
Non-controlling interests				-5	5	-
Adjusted equity accosiates					-16	-16
Dividend 2019, resolved in 2021					-1.407	-1.407
Dividend 2020, resolved in 2021					-793	-793
Trade in treasury shares					-	-
Transactions with shareholders					-2.200	-2.200
Equity as at 31.12.2021	6.394	1.587	1.850	-	17.348	27.179
Profit after tax					1.549	1.549
Unrecognised actuarial gains and losses after tax					29	29
Basisswap spread after tax					91	91
Share of profit associated companies and joint ventures					11	11
Total comprehensive income					1.680	1.680
Hybrid capital		-150				-150
Interest on hybridcapital					-41	-41
Transactions against equity in subsidiaries and associated companies					6	6
Dividend 2021, resolved in 2022					-1.535	-1.535
Trade in treasury shares					2	2
Transactions with shareholders					-1.533	-1.533
Equity as at 30.06.2022	6.394	1.587	1.850	-	17.460	27.141

Statement of cash flows

Parent bank			Cash flow statement	Group		
01.01.21 - 2021	30.06.21	01.01.22 - 30.06.22		01.01.22 - 30.06.22	01.01.21 - 30.06.21	2021
-6.977	-636	-2.391	Change in gross lending to customers ¹⁾	-12.568	-6.659	-7.136
4.017	1.982	2.367	Interest receipts from lending to customers	3.381	2.784	5.652
19.649	18.170	7.957	Change in deposits from customers	8.003	18.039	14.113
-737	-326	-667	Interest payments on deposits from customers	-664	-325	-733
8.365	6.925	-10.857	Change in receivables and debt from credit institutions	-3.272	2.397	3.115
-209	-110	48	Interest on receivables and debt to financial institutions	-22	-218	-438
-17.343	-12.155	5.217	Change in certificates and bonds ¹⁾	4.582	-11.076	-12.982
485	244	264	Interest receipts from commercial paper and bonds	281	253	500
922	460	478	Commission receipts	863	853	1.709
82	-13	8	Capital gains from sale of trading	-6	110	120
-1.624	-775	-939	Payments for operations	-1.346	-930	-2.238
-669	-669	-	Taxes paid	-230	-821	-834
-7.110	-3.423	1.330	Other accruals ¹⁾	1.730	-3.729	-8.283
-1.149	9.674	2.815	A Net change in liquidity from operations	732	678	-7.435
-139	-98	-32	Investments in tangible fixed assets	-45	-150	-177
3	3	-	Receipts from sale of tangible fixed assets	-	3	3
-676	-370	-34	Change in long-term investments in equities	-44	-241	-929
395	12	-	Receipts from sales of long-term investments in equities	11	93	492
1.115	1.115	944	Dividends from long-term investments in equities	238	406	406
698	662	878	B Net cash flow, investments	160	111	-205
15.746	2.355	4.101	Debt raised by issuance of securities and senior non-preferred bonds	12.518	12.140	31.105
-14.133	-10.554	-6.005	Repayments - issued securities and senior non-preferred bonds	-11.048	-10.554	-21.838
-379	-191	-180	Interest payments on securities issued and senior non-preferred bonds	-774	-420	-835
-	-	-	Additional subordinated loan capital issued	-	-	-
-	-	-	Repayments - additional capital instruments	-	-	-
-40	-18	-25	Interest payments on subordinated loans	-25	-18	-40
-	-	-150	Repayments in debt established by issuing hybrid capital	-150	-	-
-67	-32	-41	Interest payments on debt established by issuing hybrid capital	-41	-32	-67
-72	-35	-39	Lease payments	-29	-26	-57
-2.200	-1.407	-1.535	Dividend to share holders	-1.535	-1.407	-2.200
-1.145	-9.882	-3.874	C Net cash flow, financing	-1.084	-317	6.068
-1.596	454	-181	A+B+C Net cash flow during the period	-192	472	-1.572
2.138	2.138	542	Cash and cash equivalents as at 1 January	580	2.152	2.152
542	2.592	361	Cash and cash equivalents at the end of the period	388	2.624	580
			Cash and cash equivalents specified			
78	137	77	Cash and balances with central banks	78	137	78
464	2.455	284	Balances with credit institutions	310	2.487	502
542	2.592	361	Cash and cash equivalents	388	2.624	580

¹⁾ Changes in loans to customers, as well as changes in certificates and bonds, include the increase in exchange rates. The cash and cash equivalents includes cash and claims on central banks, plus the share of the total of claims on credit institutions that pertains to placement solely in credit institutions. The cash flow statement shows cash provided and used by the parent bank and the group.

Notes to the financial statements

Note 1 Accounting policies and accounting estimates

1.1 Basis of preparation

These interim financial statements for SpareBank 1 SR-Bank ASA cover the period 1 January - 30 June 2022. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited. These interim financial statements were prepared in accordance with the applicable IFRS standards and IFRIC interpretations.

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for 2021.

New standards and interpretations that have not been adopted yet

There are no standards or interpretations that have not been adopted yet, that are expected to have any material effects on the Groups financial statements.

Impairments on loans and financial liabilities

The group has calculated loss provisions pursuant to the IFRS 9 regulations since 1.1.2018. Prior to the reporting for the fourth quarter of 2019, only minor adjustments were made in the model. Since then, the assessment of expected credit losses has taken account of the extraordinary circumstances that have arisen with respect to the Covid-19 outbreak and the war in Ukraine. The following explains the policies that have been applied and the changes that have been made in the second quarter of 2022. Please also refer to note 2 in the annual report for 2021. The calculations follow the normal procedures for source data. The scenarios on which the calculations are based were updated in the fourth quarter of 2021 and has been continued since. The scenario weights have not been changed. The group is following the same principles for migration between the stages as those that applied previously. An increase in PD of more than 150% and which results in a PD higher than 0.6% is considered a significant change in credit risk. In addition, overdrafts or arrears of at least 30 days will always be considered a significant increase in credit risk. Exposures subject to repayment relief may, based on an individual assessment, also be regarded as having experienced a significant increase in credit risk. No negative migration from Stage 1 to Stage 2 has been observed as a consequence of payment postponements in healthy portfolios. Please refer to notes 2, 3, 4 and 8.

Note 2 Critical estimates and judgements concerning use of the accounting policies

The preparation of the consolidated financial statements entails the group executive management making estimates, judgements and assumptions that affect the effect of the application of the accounting policies and thus the amounts recognised for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2021 explains in more detail the use of critical estimates and judgements when applying the accounting policies.

Russia's invasion of Ukraine on 24.2.2022 triggered strict sanctions on both Russia and Belarus, which have resulted in rapidly rising energy and commodity prices, as well as challenges in relation to deliveries of some commodities. SpareBank 1 SR-Bank has no significant exposure to these countries. The risks associated with the consequences of the war in Ukraine are under continuous assessment by the bank and, given this, a general review of the customer base was conducted early on in order to identify those customers exposed to higher short-term risk due to the war. The analysis identified a small number of exposures in the corporate market portfolio that could in the short term be directly impacted by the war. Meanwhile, the war in Ukraine has also created greater uncertainty surrounding future developments in the somewhat longer term. So far, this uncertainty has not been reflected in the underlying portfolio development based on historical data, and determining what industries and segments may be affected in the longer term with a reasonable degree of certainty is challenging. Following an overall assessment in which the potential negative effects of the war in Ukraine, both in the short and somewhat longer term, were taken into account, an uncertainty premium has been introduced for exposed parts of the corporate market portfolio amounting to a total of NOK 70 million.

In addition, a number of measures have been implemented to secure the bank's IT infrastructure and prevent potential cyber attacks on the most critical systems and processes.

Uncertainty remains with regard to how the war in Ukraine will impact developments in Norway and the global economy, and the picture is constantly changing. This continues to cause uncertainty in relation to critical estimates.

Impairments on loans

The group's assessment of critical estimates and judgements concerning the use of the accounting policies has not changed since 31.12.2021, although the changes in the situation surrounding the Covid-19 virus and the war in Ukraine have been included in the assessment in the second quarter of 2022.

The group conducts an annual evaluation of its entire corporate market portfolio. High-risk exposures in the corporate market portfolio are evaluated on a quarterly basis. Loans to retail customers are subject to evaluation when they are more than 90 days past due; larger exposures in default are evaluated on a quarterly basis.

The group's risk classification systems are described under financial risk management in the annual report.

The group carries out an impairment if there is objective evidence that can be identified for an individual exposure, and the objective evidence entails a reduction in future cash flows for servicing the exposure. Objective evidence may be default, bankruptcy, insolvency or other significant financial difficulties.

Individual impairment provisions are calculated as the difference between the loan's book (carrying) value and the present value of future cash flows based on the effective interest rate at the time of the calculation of the initial individual impairment. Account is taken of subsequent changes in interest rates for loan agreements with variable rates if these changes affect the expected cash flow. For smaller exposures, the general rule is that the difference between the actual exposure at the time of impairment and the realisation value (underabsorption) of the pledged collateral is written down, and that the impairment is based on one scenario. For larger exposures, the general rule is that the difference between the actual exposure and the bank's assessment of the discounted value of the customer's future cash flow is written down, and the impairment is based on three scenarios.

Note 2 Critical estimates and judgements concerning use of the accounting policies (continued)

According to IFRS 9, loss provisions are recognised for all exposures based on expected credit loss (ECL). The measurement of the provisions for expected losses on exposures that are not individually impaired depends on whether or not the credit risk has increased significantly since initial capitalisation. Upon initial capitalisation and when the credit risk has not increased significantly after initial capitalisation, provisions must be made for 12 months' expected losses. If the credit risk has increased substantially after initial recognition, provisions must be made for expected losses over the entire lifetime. Expected credit loss is calculated on the basis of the present value of all cash flows over the remaining expected lifetime.

A probability weighted average is calculated for three different scenarios called an upturn scenario, a base scenario and an adverse scenario, respectively. The upturn scenario is based on data from a historically representative period of strong economic expansion and the base scenario and adverse scenario are based on internally prepared prognoses and stress tests linked to the group's periodic internal capital adequacy assessment process (ICAAP) for various given scenarios. The mutual weighting of the scenarios is considered and determined by a specially established internal working group composed of people at a management level.

The choice of scenarios and their weighting are regularly reviewed (at least once a year) by the aforementioned working group. At the end of the second quarter of 2022, the base case scenario had a 65% weighting, while the worst case and best case scenarios both had a weighting of 17.5%. The weighting is the same for all portfolios and reflects the uncertainty associated with economic developments going forward. In order to illustrate the associated weight sensitivity, a simulation of the effects of a more conservative scenario weighting was conducted in which the weight of the base scenario was reduced to 50% and the downside scenario and upside scenario were both increased to 25%. Such a change in the scenario weighting would, seen in isolation, increase the group's expected impairment losses for commitments without individual impairment by NOK 173 million.

Sensitivity Calculations (NOK millions)	Best Case scenario	Base Case scenario	Worst Case scenario	Corporate market	SME & Agri-culture	Retail market	SR-Bolig-kreditt	Not distributed	Total Group
Weighting used in Q1 2021									
ECL in a strong economic expansion scenario	17,5 %			122	61	34	15		232
ECL in a normal economic expansion scenario		65,0 %		158	72	36	15		281
ECL in a recession economic expansion scenario			17,5 %	1.662	518	252	199	3	2.634
ECL with the applied scenario weighting: (current, used from the fourth quarter of 2020)	17,5 %	65,0 %	17,5 %	415	149	73	47	1	684
Isolated effect of changed scenario weighting - 1 (used up to the third quarter of 2020, although with less conservative scenarios)	0,0 %	60,0 %	40,0 %	759	251	122	88	1	1.221
Isolated effect of changed scenario weighting - 2 (used up to the fourth quarter of 2020, although with less conservative scenarios)	25,0 %	65,0 %	10,0 %	299	114	57	33	1	504
Isolated effect of changed scenario weighting - 3 (illustration, not used before)	25,0 %	50,0 %	25,0 %	525	181	89	61	1	857
Isolated effect of changed scenario weighting - 4 (illustration, not used before)	33,3 %	33,3 %	33,3 %	647	217	107	76	1	1.048

Closely monitoring customers and prevention work are important measures actively employed by the group to maintain its good risk profile in the group's loan portfolio. This work was intensified at the end of the first quarter of 2020 and because of the low oil prices and Covid-19 outbreak, and has been continued since. The monitoring and prevention work has also been intensified in order to look at the impacts of the higher prices for many of the factor inputs used by the bank's customers and also how the war in Ukraine could affect the bank's customers. The group has provided advice in order to find good solutions for customers, including by granting interest-only periods and helping find other possible solutions.

The group's assessments of critical estimates and judgements concerning use of the accounting policies are challenging but are currently considered to be the best estimate of the consequences the war in Ukraine and the after-effects of the Covid-19 situation will have for the group.

Note 3 Impairments on loans and financial liabilities recognised in the income statement

Parent bank				Group		
01.01.21 - 2021	01.01.22 - 30.06.21	01.01.22 - 30.06.22		01.01.22 - 30.06.22	01.01.21 - 30.06.21	2021
-493	119	-87	Change in impairments on loans	-77	119	-494
-103	-29	16	Change in impairments on financial commitments	16	-29	-103
947	189	45	Actual loan losses on commitments	45	189	947
3	2	2	Change in accrued interest	3	2	3
-1	-	-	Change in assets taken over for the period	-	-	-1
-160	-102	-23	Recoveries on commitments previously written-off	-23	-102	-160
193	179	-47	Total net impairments on loans and financial commitments	-36	179	192

Note 4 Impairments on loans and financial liabilities recognised on the balance sheet

Parent Bank			Changes in	Changes in	Total
2022		01.01.2022	impairments on loans	impairments on financial commitments	30.06.2022
Impairments on loans and financial commitments					
Impairments after amortised cost, corporate market		1.495	-72	14	1.437
Impairments after amortised cost, SME & ariculture		211	-14	-1	196
Impairments after amortised cost, retail market		71	-10	3	64
Mortgages at FVOCI ¹⁾		61	9	-	70
Total impairments on loans and financial commitments		1.838	-87	16	1.767
Presented as					
Impairments on loans		1.685	-87	-	1.598
Impairments on financial commitments		153	-	16	169
Total impairments on loans and financial commitments		1.838	-87	16	1.767
2021					
Impairments on loans and financial commitments		01.01.2021			Total 30.06.2021
Impairments after amortised cost, corporate market		2.035	124	-24	2.135
Impairments after amortised cost, SME & ariculture		226	7	-4	229
Impairments after amortised cost, retail market		95	4	-1	98
Mortgages at FVOCI ¹⁾		78	-16	-	62
Total impairments on loans and financial commitments		2.434	119	-29	2.524
Presented as					
Impairments on loans		2.178	119	-	2.297
Impairments on financial commitments		256	-	-29	227
Total impairments on loans and financial commitments		2.434	119	-29	2.524

Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)

Group	Changes in			Total
	01.01.2022	impairments on loans	impairments on financial commitments	
2022				
Impairments on loans and financial commitments				
Impairments after amortised cost, corporate market	1.495	-72	14	1.437
Impairments after amortised cost, SME & agriculture	211	-14	-1	196
Impairments after amortised cost, retail market	168	9	3	180
Mortgages at FVOCI ¹⁾	-	-	-	-
Total impairments on loans and financial commitments	1.874	-77	16	1.813
Presented as				
Impairments on loans	1.721	-77	-	1.644
Impairments on financial commitments	153	-	16	169
Total impairments on loans and financial commitments	1.874	-77	16	1.813

2021	Changes in			Total
	01.01.2021	impairments on loans	impairments on financial commitments	
Impairments on loans and financial commitments				
Impairments after amortised cost, corporate market	2.035	124	-24	2.135
Impairments after amortised cost, SME & agriculture	226	7	-4	229
Impairments after amortised cost, retail market	210	-12	-1	197
Mortgages at FVOCI ¹⁾	-	-	-	-
Total impairments on loans and financial commitments	2.471	119	-29	2.561
Presented as				
Impairments on loans	2.215	119	-	2.334
Impairments on financial commitments	256	-	-29	227
Total impairments on loans and financial commitments	2.471	119	-29	2.561

¹⁾ FVOCI - Fair value other comprehensive income

Parent Bank	01.01.2022 - 30.06.2022				01.01.2021 - 30.06.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments recognised on loans per stage								
Impairments on loans 01.01	185	326	1.174	1.685	288	331	1.559	2.178
Changes 01.01 - 31.03.								
Transfer to (from) stage 1	-10	10	-	-	-23	22	1	-
Transfer to (from) stage 2	62	-64	2	-	52	-54	2	-
Transfer to (from) stage 3	4	2	-6	-	-	5	-5	-
Net new measurement of impairments	-60	75	-76	-61	-52	88	122	158
New issued or purchased loan	56	24	9	89	62	25	5	92
Loans that have been derecognised	-27	-70	-18	-115	-47	-63	-21	-131
Impairments on loans 30.06	210	303	1.085	1.598	280	354	1.663	2.297
Impairments recognised on financial commitments per stage								
Impairments on financial commitments 01.01.	32	45	76	153	43	47	166	256
Changes 01.01 - 31.03.								
Transfer to (from) stage 1	-3	3	-	-	-3	3	-	-
Transfer to (from) stage 2	7	-7	-	-	8	-8	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	-9	16	6	13	-14	6	-20	-28
New issued or purchased loan	11	4	1	16	13	3	1	17
Loans that have been derecognised	-7	-5	-1	-13	-4	-3	-11	-18
Impairments on financial commitments 30.06	31	56	82	169	43	48	136	227

Note 4 Impairments on loans and financial commitments recognised in the balance sheet (continued)

Group	01.01.2022 - 30.06.2022				01.01.2021 - 30.06.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairments recognised on loans per stage								
Impairments on loans 01.01	193	353	1.175	1.721	298	357	1.560	2.215
Changes 01.01 - 31.03.								
Transfer to (from) stage 1	-10	10	-	-	-23	22	1	-
Transfer to (from) stage 2	68	-70	2	-	60	-62	2	-
Transfer to (from) stage 3	3	3	-6	-	-	6	-6	-
Net new measurement of impairments	-67	90	-76	-53	-61	97	124	160
New issued or purchased loan	59	29	10	98	65	28	5	98
Loans that have been derecognised	-27	-76	-19	-122	-49	-69	-21	-139
Impairments on loans 30.06	219	339	1.086	1.644	290	379	1.665	2.334
Impairments recognised on financial commitments per stage								
Impairments on financial commitments 01.01.	32	45	76	153	43	47	166	256
Changes 01.01 - 31.03.								
Transfer to (from) stage 1	-3	3	-	-	-3	3	-	-
Transfer to (from) stage 2	7	-7	-	-	8	-8	-	-
Transfer to (from) stage 3	-	-	-	-	-	-	-	-
Net new measurement of impairments	-9	16	6	13	-14	6	-20	-28
New issued or purchased loan	11	4	1	16	13	3	1	17
Loans that have been derecognised	-7	-5	-1	-13	-4	-3	-11	-18
Impairments on financial commitments 30.06	31	56	82	169	43	48	136	227

Note 5 Other assets

Parent bank				Group		
31.12.21	30.06.21	30.06.22		30.06.22	30.06.21	31.12.21
-	3	3	Income earned but not received	5	16	2
31	8	58	Prepaid expences	68	19	38
5	4	5	Over funding of pension liabilities	5	4	5
200	200	200	Capital contribution SR-Pensjonskasse	200	200	200
1	958	968	Unsettled trades	968	958	1
124	205	321	Other assets	759	686	550
361	1.378	1.555	Total other assets	2.005	1.883	796

Note 6 Other Liabilities

Parent bank				Group		
31.12.21	30.06.21	30.06.22		30.06.22	30.06.21	31.12.21
283	220	235	Accrued expenses and prepaid revenue	443	470	512
-	2.084	967	Unsettled trades	967	2.084	-
235	693	357	Other liabilities	449	630	318
518	2.997	1.559	Total other liabilities	1.859	3.184	830

Note 7 Deposits from customers

Parent bank				Group		
31.12.21	30.06.21	30.06.22		30.06.22	30.06.21	31.12.21
421	326	555	Aquaculture	555	326	421
1.852	1.389	1.348	Industry	1.348	1.389	1.852
1.464	1.559	1.628	Agriculture/forestry	1.628	1.559	1.464
17.450	15.198	16.568	Service industry	16.235	14.843	17.071
3.631	3.469	3.382	Retail trade, hotels and restaurants	3.382	3.469	3.631
1.520	1.258	1.506	Energy, oil and gas	1.506	1.258	1.520
2.574	2.232	2.372	Building and construction	2.372	2.232	2.574
1.554	1.711	1.467	Power and water supply/	1.467	1.711	1.554
7.195	7.860	8.467	Real estate	8.467	7.860	7.195
2.007	1.757	1.767	Shipping and other transport	1.767	1.757	2.007
40.513	41.670	43.880	Public sector and financial services	43.880	41.670	40.513
80.181	78.429	82.940	Total corporate sector	82.607	78.074	79.802
57.862	58.135	63.060	Retail customers	63.060	58.135	57.862
138.043	136.564	146.000	Deposits from customers	145.667	136.209	137.664

Note 8 Loans and financial liabilities to customers

Parent bank			Gross loans to customers by industry	Group		
31.12.21	30.06.21	30.06.22		30.06.22	30.06.21	31.12.21
3.586	3.327	3.402	Aquaculture	3.407	3.330	3.594
3.718	3.411	4.011	Industry	4.061	3.461	3.766
5.305	5.250	5.377	Agriculture/forestry	5.678	5.537	5.576
15.804	14.675	18.585	Service industry	18.965	14.925	16.100
3.008	2.856	3.177	Retail trade, hotels and restaurants	3.364	3.021	3.180
1.195	2.521	1.337	Energy, oil and gas	1.339	2.521	1.195
3.951	4.641	4.448	Building and construction	4.652	4.844	4.152
1.412	1.423	1.439	Power and water supply	1.439	1.423	1.412
33.599	31.977	35.444	Real estate	35.454	31.989	33.608
11.812	11.757	12.948	Shipping and other transport	13.123	11.915	11.958
2.451	2.395	2.664	Public sector and financial services	2.664	2.395	2.451
85.841	84.233	92.832	Total corporate sector	94.146	85.361	86.992
55.093	50.360	50.493	Retail customers	148.721	140.430	143.307
140.934	134.593	143.325	Gross loans	242.867	225.791	230.299
-1.685	-2.297	-1.598	- Impairments after amortised cost	-1.644	-2.334	-1.721
11	13	12	- Mortgages at FVOCI ²⁾	-	-	-
139.260	132.309	141.739	Loans to customers	241.223	223.457	228.578
Financial commitments ¹⁾						
10.644	9.448	11.654	Guarantees customers	11.691	9.497	10.686
19.414	18.295	19.053	Unused credit lines for customers	27.424	25.789	26.897
12.475	15.422	17.003	Approved loan commitments	17.003	15.422	12.475
42.533	43.165	47.710	Total financial commitments	56.118	50.708	50.058
Other guarantees issued and liabilities						
12.048	11.098	4.629	Unused credit lines for financial institutions	-	-	-
78.529	82.464	78.272	Guarantees other	596	589	589
2	2	7	Letters of credit	7	2	2
90.579	93.564	82.908	Total other guarantees issued and liabilities	603	591	591

¹⁾ Financial liabilities not on the balance sheet that are the basis for impairments

²⁾ FVOCI - Fair value other comprehensive income

Note 8 Loans and other financial commitments to customers (continued)

Parent bank

2022	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	30.06.2022
Aquaculture	3.366	-10	-24	-	36	3.368
Industry	3.964	-13	-20	-129	47	3.849
Agriculture/forestry	2.955	-2	-9	-1	2.422	5.365
Service industry	17.953	-57	-83	-120	632	18.325
Retail trade, hotels and restaurants	2.940	-15	-16	-8	237	3.138
Energy, oil and gas	1.337	-3	-5	-58	-	1.271
Building and construction	4.143	-8	-13	-21	305	4.406
Power and water supply	1.429	-4	-2	-	10	1.433
Real estate	35.244	-67	-66	-52	200	35.259
Shipping and other transport	12.830	-19	-24	-633	118	12.272
Public sector and financial services	2.664	-	-	-	-	2.664
Total corporate sector	88.825	-198	-262	-1.022	4.007	91.350
Retail customers	5.312	-12	-41	-63	45.181	50.377
Mortgages at FVOCI ¹⁾					12	12
Loans to customers	94.137	-210	-303	-1.085	49.200	141.739

2021	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	30.06.2021
Aquaculture	3.286	-11	-14	-	41	3.302
Industry	3.350	-17	-17	-134	61	3.243
Agriculture/forestry	2.590	-2	-4	-4	2.660	5.240
Service industry	14.072	-36	-96	-116	603	14.427
Retail trade, hotels and restaurants	2.623	-20	-38	-9	233	2.789
Energy, oil and gas	2.521	-8	-11	-735	-	1.767
Building and construction	4.364	-24	-11	-14	277	4.592
Power and water supply	1.419	-5	-3	-	4	1.415
Real estate	31.729	-120	-87	-59	248	31.711
Shipping and other transport	11.644	-23	-21	-512	113	11.201
Public sector and financial services	2.395	-	-	-	-	2.395
Total corporate sector	79.993	-266	-302	-1.583	4.240	82.082
Retail customers	5.443	-14	-52	-80	44.917	50.214
Mortgages at FVOCI ¹⁾					13	13
Loans to customers	85.436	-280	-354	-1.663	49.170	132.309

¹⁾ FVOCI - Fair value other comprehensive income

Note 8 Loans and other financial commitments to customers (continued)

Group

2022	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	30.06.2022
Aquaculture	3.400	-10	-24	-	7	3.373
Industry	4.049	-13	-20	-129	12	3.899
Agriculture/forestry	4.714	-2	-9	-1	964	5.666
Service industry	18.879	-57	-84	-120	86	18.704
Retail trade, hotels and restaurants	3.333	-15	-16	-8	31	3.325
Energy, oil and gas	1.339	-3	-5	-58	-	1.273
Building and construction	4.608	-9	-14	-21	44	4.608
Power and water supply	1.433	-4	-2	-	6	1.433
Real estate	35.335	-67	-66	-52	119	35.269
Shipping and other transport	6.399	-19	-24	-633	6.724	12.447
Public sector and financial services	2.664	-	-	-	-	2.664
Total corporate sector	86.153	-199	-264	-1.022	7.993	92.661
Retail customers	148.715	-20	-75	-64	26	148.582
Loans to customers	234.868	-219	-339	-1.086	8.019	241.243

2021	Gross loans at				Loans at	Net loans
Loans to customers by industry and stages	amortised cost	Stage 1	Stage 2	Stage 3	fair value	30.06.2021
Aquaculture	3.324	-11	-14	-	6	3.305
Industry	3.451	-17	-17	-134	10	3.293
Agriculture/forestry	4.361	-2	-5	-4	1.176	5.526
Service industry	14.808	-37	-96	-116	117	14.676
Retail trade, hotels and restaurants	2.987	-20	-38	-9	34	2.954
Energy, oil and gas	2.521	-8	-11	-735	-	1.767
Building and construction	4.790	-24	-11	-14	54	4.795
Power and water supply	1.423	-5	-3	-	-	1.415
Real estate	31.850	-120	-87	-59	139	31.723
Shipping and other transport	11.892	-23	-21	-512	23	11.359
Public sector and financial services	2.395	-	-	-	-	2.395
Total corporate sector	83.802	-267	-303	-1.583	1.559	83.208
Retail customers	132.674	-23	-76	-82	7.756	140.249
Loans to customers	216.476	-290	-379	-1.665	9.315	223.457

Note 8 Loans and other financial commitments to customers (continued)

Parent bank

Gross loans per stage	01.01.2022 - 30.06.2022				01.01.2021 - 30.06.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	128.811	9.252	2.871	140.934	119.320	10.933	3.704	133.957
Transfer to (from) stage 1	-2.445	2.357	88	-	-4.183	4.136	47	-
Transfer to (from) stage 2	2.227	-2.264	37	-	2.123	-2.248	125	-
Transfer to (from) stage 3	8	19	-27	-	4	28	-32	-
Net increase/(decrease) balance existing loans	4.845	503	-96	5.252	8.157	668	81	8.906
Originated or purchased during the period	31.139	598	380	32.117	30.574	628	69	31.271
Loans that have been derecognised	-31.912	-2.981	-85	-34.978	-36.008	-3.237	-296	-39.541
Gross loans 30.06	132.673	7.484	3.168	143.325	119.987	10.908	3.698	134.593

Financial commitments per stage ¹⁾²⁾

Financial commitments 01.01.	39.667	1.668	1.198	42.533	32.837	1.945	1.249	36.031
Net increase / (decrease) during period	5.285	173	-281	5.177	6.575	599	-40	7.134
Financial commitments 30.06	44.952	1.841	917	47.710	39.412	2.544	1.209	43.165

Group

Gross loans per stage	01.01.2022 - 30.06.2022				01.01.2021 - 30.06.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross loans 01.01.	215.341	12.059	2.899	230.299	201.155	14.072	3.739	218.966
Transfer to (from) stage 1	-3.558	3.470	88	-	-5.238	5.189	49	-
Transfer to (from) stage 2	2.911	-2.954	43	-	3.305	-3.444	139	-
Transfer to (from) stage 3	13	25	-38	-	4	40	-44	-
Net increase/(decrease) balance existing loans	7.115	562	-95	7.582	10.241	719	81	11.041
Originated or purchased during the period	43.357	649	371	44.377	39.682	618	59	40.359
Loans that have been derecognised	-36.088	-3.229	-74	-39.391	-40.902	-3.381	-292	-44.575
Gross loans 30.06	229.091	10.582	3.194	242.867	208.247	13.813	3.731	225.791

Financial commitments per stage ¹⁾²⁾

Financial commitments 01.01.	46.954	1.904	1.200	50.058	39.789	2.208	1.252	43.249
Net increase / (decrease) during period	6.143	198	-281	6.060	6.924	575	-40	7.459
Financial commitments 30.06	53.097	2.102	919	56.118	46.713	2.783	1.212	50.708

¹⁾ Other financial liabilities include guarantees, undrawn credit and loan commitments

²⁾ Financial liabilities provide the basis for impairment losses under IFRS 9

Note 9 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU's capital requirements for banks and securities undertakings (CRD IV/CRR). SpareBank 1 SR-Bank has permission from the Financial Supervisory Authority of Norway to use internal measurement methods (Internal Rating Based Approach) for quantifying credit risk. The use of IRB requires the bank to comply with extensive requirements relating to organisation, expertise, risk models and risk management systems.

The total requirement for SpareBank 1 SR-Bank ASA's Common Equity Tier 1 capital ratio was 15.85% at the end of the second quarter of 2022.

Parent bank				Group		
31.12.21	30.06.21	30.06.22		30.06.22	30.06.21	31.12.21
6.394	6.394	6.394	Share capital	6.394	6.394	6.394
1.587	1.587	1.587	Premium reserve	1.587	1.587	1.587
1.535	-	-	Allocated to dividend	-	-	1.535
1.850	1.850	1.700	Hybrid capital	1.700	1.850	1.850
12.536	12.187	12.528	Other equity	15.912	15.054	15.813
			Non-controlling interests	-	-	-
-	1.917	1.835	Profit for the period	1.549		-
23.902	23.935	24.044	Book equity	27.141	26.419	27.179
			Tier 1 capital			
-70	-70	-70	Deferred taxes, goodwill and other intangible assets	-704	-534	-681
-1.535	-	-	Deduction for allocated dividends	-	-	-1.535
-206	-9	-324	Deduction in expected losses IRB less loss provisions	-413	-91	-305
-1.850	-1.850	-1.700	Hybrid capital that cannot be included in CET 1 capital	-1.700	-1.850	-1.850
			Profit for the period that cannot be included in total Tier 1 capital	-774		
	-959	-	Deduction for CET 1 capital in essential investments in financial institutions	-128	-110	-325
-165	-151	-181	Deduction for CET 1 capital in not essential investments in financial institutions	-168	-149	-150
-63	-58	-64	Value adjustments due to the requirements for prudent valuation	-80	-63	-71
20.013	20.838	20.787	CET 1 capital	23.174	22.854	22.262
1.850	1.850	1.700	Hybrid capital	1.837	1.951	1.951
		-46	Deduction for essential investments in financial institutions	-46		
21.814	22.688	22.441	Tier 1 capital	24.965	24.805	24.164
			Tier 2 capital			
2.097	2.097	2.097	Term subordinated loan capital	2.273	2.237	2.238
-195	-43	-188	Deduction for essential investments in financial institutions	-188	-43	-195
1.902	2.054	1.909	Tier 2 capital	2.085	2.194	2.043
23.716	24.742	24.350	Net primary capital	27.050	26.999	26.207

Note 9 Capital adequacy (continued)

Parent bank			Credit risk Basel II	Group		
31.12.21	30.06.21	30.06.22		30.06.22	30.06.21	31.12.21
18.522	20.037	18.546	SME	18.556	20.045	18.535
22.961	20.715	21.336	Specialised enterprises	23.847	22.940	25.456
6.948	5.972	7.614	Other corporations	7.886	6.094	7.116
842	944	887	Mass market SME	1.233	1.305	1.172
11.042	10.193	10.099	Mass market - mortgage on real estate ¹⁾	30.915	29.148	30.473
2.030	2.622	1.976	Other mass market	2.065	2.614	1.997
12.114	12.334	12.195	Equity positions	-	-	-
74.459	72.817	72.653	Total credit and counterparty risk IRB	84.502	82.146	84.749
33	33	34	States and central banks	47	56	43
44	35	51	Local and regional authorities, state-owned enterprises	246	147	277
2.736	4.748	6.061	Institutions	1.258	2.835	1.042
9.868	9.170	10.395	Enterprises	10.839	9.810	10.408
3.420	3.755	4.012	Mass market	4.810	4.422	4.147
-	-	-	Mass market - mortgage on real estate	570	820	881
10.059	10.504	9.603	Covered bonds	2.170	2.568	2.524
6.000	6.029	6.000	Equity positions	6.772	6.648	6.494
182	179	176	Units in securities funds	192	179	196
2.972	4.255	3.023	Other assets	3.844	5.063	3.811
35.314	38.708	39.355	Total credit and counterparty risk standard method	30.748	32.548	29.823
134	162	217	Credit value adjustment risk (CVA)	352	358	259
7.258	7.171	7.258	Operational risk	10.595	9.847	10.587
-	-	416	Other risk exposures ¹⁾²⁾	3.422	-	2.563
117.575	118.858	119.899	Risk weighted balance	129.618	127.398	127.981
5.291	5.349	5.395	Minimum requirement for common equity Tier 1 capital ratio 4.5 %	5.833	5.733	5.759
			Buffer requirement			
2.939	2.971	2.997	Capital conservation buffer 2.5 %	3.240	3.185	3.200
5.291	5.349	5.395	Systemic risk buffer 4.5 %	5.833	5.733	5.759
1.176	1.189	1.798	Countercyclical capital buffer 1.5 %	1.944	1.274	1.280
9.406	9.509	10.191	Total buffer requirement to common equity Tier 1 capital ratio	11.018	10.192	10.238
5.316	5.981	5.200	Available common equity Tier 1 capital ratio after buffer requirement	6.324	6.930	6.264
17,02 %	17,53 %	17,34 %	Common equity Tier 1 capital ratio	17,88 %	17,94 %	17,39 %
18,55 %	19,09 %	18,72 %	Tier 1 capital ratio	19,26 %	19,47 %	18,88 %
20,17 %	20,82 %	20,31 %	Capital ratio	20,87 %	21,19 %	20,48 %
6,91 %	7,24 %	6,76 %	Leverage Ratio	7,10 %	7,49 %	7,14 %

¹⁾ Due to change in regulatory presentation figures for 30.06.2021 have been revised. The regulatory floor on residential mortgages has been moved from mass market - mortgage on real estate to other risk exposure amounts.

²⁾ Risk weights for residential mortgages are subject to a regulatory floor of 20%. Without this floor, the risk weight for residential mortgages in the group would have been 18,1 % as at 30 June 2022.

Note 10 Financial derivatives

Group	Contract amount 30.06.22	Fair value at 30.06.22	
		Assets	Liabilities
At fair value through profit and loss			
Currency instruments			
Currency futures (forwards)	3.948	138	80
Currency swaps	23.315	325	222
Currency swaps (basis swaps)	28.389	848	456
Currency swaps (basis swaps hedging)	29.467	521	256
Total currency instruments	85.119	1.831	1.013
Interest rate instruments			
Interest rate swaps	73.660	1.918	949
Other interest rate contracts	1.828	24	24
Total interest rate instruments	75.488	1.942	973
Interest rate instruments, hedging			
Interest rate swaps	107.166	76	7.263
Total interest rate instruments, hedging	107.166	76	7.263
Security			
Security		10.217	1.948
Total security		10.217	1.948
Total currency and interest rate instruments			
Total currency instruments	85.119	1.831	1.013
Total interest rate instruments	182.654	2.018	8.236
Total collateral		10.217	1.948
Total financial derivatives	267.773	14.067	11.197
Counterparty risk:			
Netting agreements		2.200	
Considered collateral		12.165	
Total exposure to financial derivatives		-298	

Counterparty risk associated with derivatives is reduced via ISDA agreements and CSA supplements. The CSA supplement regulates the counterparty risk through payments of margins in relation to exposure limits.

IBOR reform

Reforming and alternatives to IBOR rates have become a priority area for governments around the world in recent years. However, there is uncertainty surrounding which methods will be used for any changes and when they will be introduced. All of SpareBank 1 SR-Bank's interest rate derivatives use IBOR rates as a reference, and may thus be affected by changes. The most important positions are in EURIBOR and NIBOR. The bank is monitoring developments in the market closely, and is participating in several projects to monitor the changes and facilitate any changes. The table below shows nominal amount and weighted average remaining maturity for derivatives in hedging relationships that may be affected by IBOR reform, categorised by the relevant IBOR rate.

Note 10 Financial derivatives (continued)

	Contract amount	Weighted maturity
Interest rate instruments		
CIBOR DKK (6 months)	834	3,4
EURIBOR EUR (3 months)	101.754	4,6
EURIBOR EUR (6 months)	382	6,6
LIBOR USD (1 month)	992	0,5
LIBOR USD (3 months)	6.770	2,2
LIBOR USD (6 months)	433	2,2
NIBOR NOK (1 month)	42	4,6
NIBOR NOK (3 months)	70.038	4,2
NIBOR NOK (6 months)	740	2,5
STIBOR SEK (3 months)	272	2,6
Total interest rate instruments	182.257	
Currency instruments		
EURIBOR EUR (3 months) to LIBOR USD (3 months)	12.958	2,5
EURIBOR EUR (3 months) to NIBOR NOK (3 months)	39.069	4,4
LIBOR USD (3 months) to NIBOR NOK (3 months)	4.377	1,8
LIBOR USD (6 months) to FIXED NOK	175	3,8
STIBOR SEK (3 months) to NIBOR NOK (3 months)	1.277	1,9
Total currency instruments	57.856	
Total exposure to financial derivatives	240.113	
Assets		
Certificates and bonds		
EURIBOR EUR (3 months)	258	0,0
LIBOR USD (3 months)	30	2,5
NIBOR NOK (3 months)	22.763	2,8
Total exposure certificates and bonds	23.051	
Liabilities		
Securities issued		
EURIBOR EUR (3 months)	3.773	1,5
EURIBOR EUR (6 months)	517	8,5
LIBOR USD (3 months)	99	0,2
LIBOR USD (6 months)	1.400	1,3
NIBOR NOK (3 months)	26.437	6,8
STIBOR SEK (3 months)	675	1,3
Total exposure securities issued	32.901	

The bank also has loans to customers in GBP and USD LIBOR and EURIBOR, respectively, as well as loans to and deposits from customers linked to NIBOR.

Note 11 Securities issued and subordinated loan capital

Group

	Balance as at 30.06.22	Issued/ sale own 2022	Past due/ redeemed 2022	FX rate- and other changes 2022	31.12.21
Change in debt raised through securities issued					
Other long-term borrowing	1.400	-	-	157	1.243
Bonds and certificates, nominal value	41.219	4.101	-6.005	859	42.264
Covered bonds, nominal value	83.330	8.417	-5.043	2.301	77.655
Adjustments and accrued interests	-6.127			-7.241	1.114
Total debt raised through securities issued	119.822	12.518	-11.048	-3.924	122.276

	Balance as at 30.06.22	Issued/ sale own 2022	Past due/ redeemed 2022	FX rate- and other changes 2022	31.12.21
Change in debt raised by issuing non-preferred senior debts					
Senior non-preferred bonds	7.697	-	-	178	7.519
Adjustments and accrued interests	-503			-449	-54
Total senior non-preferred bonds	7.194	-	-	-271	7.465

	Balance as at 30.06.22	Issued/ sale own 2022	Past due/ redeemed 2022	FX rate- and other changes 2022	31.12.21
Change in debt raised through subordinated loan capital issued					
Term subordinated loan capital, nominal value	2.142	-	-	17	2.125
Adjustments and accrued interests	6			1	5
Total additional Tier 1 and Tier 2 capital instruments	2.148	-	-	18	2.130

Note 12 Segment reporting

The executive management team has assessed which segments are reportable based on the form of distribution, products and customers. The primary reporting format is based on the risk and return profile of the assets, and it is divided between retail market, corporate market and SME & agriculture. Other activities covers all staff departments including treasury, subsidiaries and associated companies.

SpareBank 1 SR-Bank Group 30.06												
	Retail Market		Corporate Market		SME & Agriculture		Other activities		Eliminations		Group	
Income statement (MNOK)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net interest income ¹⁾	839	861	804	779	277	230	197	131	-2	1	2.115	2.002
Net commission and other income	301	262	134	125	63	55	431	447	-33	-33	896	856
Net income on investment securities	-	-	19	33	2	1	270	419	-	-	291	453
Total net income	1.140	1.123	957	937	342	286	898	997	-35	-32	3.302	3.311
Total operating expenses	289	272	80	70	55	43	1.007	941	-35	-33	1.396	1.293
Operating profit before losses	851	851	877	867	287	243	-109	56	-	1	1.906	2.018
Change in individual write-downs in the period	13	-1	-46	167	-3	13	-	-	-	-	-36	179
Pre-tax profit	838	852	923	700	290	230	-109	56	-	1	1.942	1.839
Balance sheet (MNOK)												
Loans to customers	147.116	139.188	74.291	67.112	17.215	15.867	4.531	3.918	-286	-294	242.867	225.791
Individual loss provisions	-176	-195	-1.301	-1.930	-167	-209	-	-	-	-	-1.644	-2.334
Certificates/bonds/financial derivatives	-	-	-	0	-	-	74.774	61.910	-9.023	-5.517	65.751	56.393
Other assets	-3.228	11.070	8.691	-6.198	-190	778	32.325	32.012	-25.930	-17.573	11.668	20.089
Total assets	143.712	150.063	81.681	58.984	16.858	16.436	111.630	97.840	-35.239	-23.384	318.642	299.939
Deposits from customers	69.086	63.376	60.723	58.807	16.777	15.240	-586	-859	-333	-355	145.667	136.209
Other debt and equity ¹⁾	74.638	86.687	20.958	177	81	1.196	112.204	98.699	-34.906	-23.029	172.975	163.730
Total debt and equity	143.724	150.063	81.681	58.984	16.858	16.436	111.618	97.840	-35.239	-23.384	318.642	299.939

1) Other liabilities contains allocated arrangements between the segments. The interest on intercompany receivables for the retail market division and the corporate market division is determined on the basis of expected observable market interest rates (NIBOR) plus expected additional costs in connection with the group's long-term funding (credit premium). Deviations between the Group's actual funding costs and the applied interest on intercompany receivables are eliminated in the parent bank.

Note 13 Net income/losses from financial instruments

Parent bank			Group			
	01.01.21 -	01.01.22-		01.01.22-	01.01.21 -	
	2021	30.06.21		30.06.22	30.06.21	2021
247	76	15	Net gains/losses on equity instruments ¹⁾	26	173	296
-561	-281	-756	Net gains/losses for bonds and certificates	-758	-280	-562
458	239	651	Net derivatives bonds and certificates	651	239	458
4	3	2	Net counterparty risk, inclusive of CVA	2	3	4
-13	-8	-12	Net derivatives other assets	-12	-8	-13
23	17	-	Net derivatives liabilities	10	8	19
-12	46	-129	Net derivatives basis swap spread	79	-56	-24
147	64	102	Net gain currency	102	63	142
293	156	-127	Net income/losses from financial instruments	100	142	320

¹⁾ Including gains from the sale of SR-Forvaltning of NOK 134 million in the parent bank and NOK 92 million in the group 2021

Note 14 Pensions

The SpareBank 1 SR-Bank group has two types of pension scheme: defined benefit-based and contribution benefit-based pension schemes. For more information about the accounting treatment of the schemes see note 23 to the annual financial statements for 2021.

The group previously had a secured defined benefit pension scheme covered by the group's pensions fund. This scheme was wound up in 2015 and employees who were in the defined benefit scheme were issued a paid-up policy for their earned rights in the defined benefit scheme.

Paid-up policies will be managed by the pension fund, which from 1 January 2016 was set as a paid-up fund. A framework agreement has been established between SpareBank 1 SR-Bank and the pension fund that covers things such as financing, capital management, etc. Because of the responsibilities SpareBank 1 SR-Bank still has, future liabilities will have to be incorporated in the financial statements. The board of the pension fund must consist of representatives of the group and pension scheme participants in accordance with the pension fund's articles of association.

The following economic assumptions have been used to calculate the obligations for the defined benefit-based pension scheme:

Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Parent bank and group
1,80 %	1,80 %	1,90 %	2,70 %	3,20 %	Discount rate
1,80 %	1,80 %	1,90 %	2,70 %	3,20 %	Expected return on assets
2,25 %	2,50 %	2,75 %	2,75 %	2,75 %	Forecast salary increase
2,00 %	2,25 %	2,50 %	2,50 %	2,50 %	National Insurance scheme's basic amount
0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	Pension adjustment ¹⁾
0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	Paid-up policy adjustment

¹⁾ Closed service pensions above 12G (G= the basic National Insurance amount) are regulated in line with general developments in the pay scale for finance or a corresponding scale that might replace the pay scale.

Change in pension obligations (NOK million):

Parent bank				Group		
2021	30.06.21	01.01.21 - 01.01.22 - 30.06.22		01.01.22 - 30.06.22	01.01.21 - 30.06.21	2021
197	197	269	Net pension obligations opening balance	277	204	204
-192	-236	-532	Actuarial liabilities and losses recognised in comprehensive income	-539	-237	-193
9	4	-	Net pension cost	-	4	9
-1	-	-	Company contributions	-	-	-2
-8	-3	-2	Payments from operations	-3	-3	-8
264	241	493	Upper limit for capitalisation of the asset	500	242	267
269	203	228	Net pension obligations closing balance	235	210	277

Note 15 Sale of loans

SpareBank 1 SR-Bank sold its shares in SpareBank 1 Næringskreditt on 29 September 2021 and the agreement concerning the legal sale of highly collateralised mortgages and collateral in real estate ended on the same date. For more information about the accounting treatment of the agreement that has now ended see note 2 and note 9 to the annual financial statements for 2021.

SpareBank 1 SR-Bank has concluded an agreement concerning the sale of loans with good security and collateral in real estate to its subsidiary SR-Boligkreditt AS. Such loans are derecognised from the parent bank's balance sheet, but are recognised in the consolidated financial statements, see note 2 in the 2021 annual financial statements.

Note 16 Liquidity risk

Liquidity risk is the risk that the group is not able to refinance its debt or is not able to finance an increase in assets. The bank's framework for managing liquidity risk shall reflect the bank's conservative risk profile. The board has adopted internal limits such that the bank has as balanced a maturity structure for its borrowing as possible. Stress testing is conducted for the various terms of maturity for bank-specific crises, system crises and combinations of these. A contingency plan has also been put in place to manage liquidity crises. The average remaining term to maturity in the portfolio of senior bond funding and covered bonds was 4.0 years at the end of the first quarter of 2022. The total LCR was 151% at the end of the second quarter, and the average total LCR was 155% in the quarter. The LCR in NOK and EUR at the end of the quarter was 90% and 810%, respectively.

Note 17 Information about fair value

Group

The table below shows financial instruments at fair value according to their valuation method. The different levels are defined as follows:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on observable factors other than listed price (used in level 1) either direct (price) or indirect (deduced from prices)

Level 3: Valuation based on factors not obtained from observable markets (non-observable assumptions)

Fair value 30.06.2022	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers ¹⁾			8.019	8.019
Commercial paper and bonds	26.657	17.921		44.578
Financial derivatives		14.067		14.067
Equities, units and other equity interests	537	80	410	1.027
Liabilities				
Financial derivatives		11.197		11.197
No transfers between levels 1 and 2				

¹⁾ Net lending to customers in parent bank, level 3 49.188

Fair value 30.06.2021	Level 1	Level 2	Level 3	Total
Assets				
Net lending to customers ¹⁾			9.315	9.315
Commercial paper and bonds	26.035	17.306		43.341
Financial derivatives		5.396		5.396
Equities, units and other equity interests	637	43	369	1.049
Liabilities				
Financial derivatives		3.515		3.515
No transfers between levels 1 and 2				

¹⁾ Net lending to customers in parent bank, level 3 49.158

Note 17 Information about fair value (continued)

Change in holding during the financial year of assets valued on the basis of factors other than observable market data

Group	Loans to customers	Shares, ownership stakes and other securities
Balance 01.01	8.450	394
Additions	921	10
Disposals	-889	-11
Transferred from or to measurement according to prices in an active market or observable market data		
Change in value ¹⁾	-463	17
Balance 30.06.2022	8.019	410
Nominal value/cost price	8.407	387
Fair value adjustment	-388	23
Balance 30.06.2022	8.019	410

¹⁾ Value changes are recognised in net income from financial instruments

Other assets are measured using various methods such as last known transaction price, earnings per share, dividend per share, EBITDA and discounted cash flows.

Fixed-rate loans are measured on the basis of the interest rate agreed with the customer. Loans are discounted using the applicable interest curve, having taken into account a market premium, which is adjusted for the profit margin. The conducted sensitivity analyses indicate an increase in the discount rate of 10 basis points would have a negative effect on the result amounting to NOK 25 million.

Fair value of financial instruments at amortised cost

Group	Balance	Fair value
	30.06.2022	
Assets		
Cash and balances with central banks	77	77
Balances with credit institutions ¹⁾	1.319	1.319
Loans to customers ¹⁾	233.204	233.204
Certificates and bond	8.106	8.100
Total assets at amortised cost	242.706	242.700
Liabilities		
Balances with credit institutions ¹⁾	2.428	2.428
Deposits from customers ¹⁾	145.667	145.667
Listed debt securities	119.822	119.881
Senior non-preferred bonds	7.194	7.113
Subordinated loan capital	2.148	2.247
Total liabilities at amortised cost	277.259	277.336

¹⁾ Loans and deposits at amortised cost, amount to book value best estimate at fair value.

Note 18 Leases

Pursuant to IFRS 16, lessees must capitalise a right-to-use asset and a lease liability for each of their leases. For more information about the accounting treatment of the schemes see note 31 to the annual statements of 2021.

Parent Bank				Group		
2021	01.01.21 - 30.06.21	01.01.22 - 30.06.22		01.01.22 - 30.06.22	01.01.21 - 30.06.21	2021
			Balance			
881	891	870	Lease rights	325	352	335
920	920	913	Liabilities associated with lease rights	349	374	359
			Income Statement			
57	29	27	Depreciations on lease rights	25	27	53
4	-	-	Impairments on lease rights	-	-	-
29	14	16	Interests on lease liabilities	4	5	9
90	43	43	Total IFRS 16 costs	29	32	62
			Effects of IFRS 16			
72	35	39	Reduction in operating expenses pursuant to IAS 17	20	17	36
91	43	42	Increase in expenses pursuant to IFRS 16	29	32	62
-19	-8	-3	Changes to pre-tax profit	-9	-15	-26
			Changes in lease rights and liabilities associated with lease rights			
915	915	881	Lease rights 01.01.	335	346	346
27	5	23	Additions in the period	22	33	42
	-	7	Disposals in the period	7	1	-
57	29	27	Depreciations	25	27	53
	-	-	Impairments	-	-	-
881	891	870	Lease rights at the end of the periode	325	351	335
936	936	920	Liabilities associated with lease rights 01.01.	359	365	365
27	5	23	Additions in the period	22	31	42
	-	7	Disposals in the period	7	1	-
72	35	39	Instalments in the period	29	26	57
29	14	16	Interest rate	4	5	9
920	920	913	Liabilities associated with lease rights, at the end of the period	349	374	359

Note 19 Events after the balance sheet date

No material events have been registered after 30.06.2022 that affect the interim financial statements as prepared.

Statement pursuant to section 5-6 of the Securities Trading Act

Statement by the Board of Directors and Chief Executive Officer

We hereby confirm that the half-year financial statements for the period 1 January to 30 June 2022 have, to the best of our knowledge, been prepared pursuant to IAS 34 Interim Financial Reporting and that the information provided presents a true and fair picture of the company's and the group's assets, liabilities, financial positions and profit as a whole.

We hereby also confirm that, to the best of our knowledge, the half-year financial statements provide a true and fair overview of developments, the financial performance and important events during the accounting period and their effect on the half-year financial statements, the most important risk and uncertainty factors that the group faces in the next accounting period and material transactions with close associates.

Stavanger, 10 august 2022

The Board of Directors of SpareBank 1 SR-Bank ASA

Dag Mejdell
(Chair)

Kate Henriksen

Camilla AC Teffers

Kjetil Skjæveland

Trine Sæther Romuld

Jan Skogseth

Sally Lund-Andersen
(Employee representative)

Kristian Kristensen
(Employee representative)

Benedicte Schilbred Fasmer
(Chief Executive Officer)

Results from the interim financial statements

SpareBank 1 SR-Bank Group, MNOK	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Interest income	1.888	1.784	1.635	1.497	1.519	1.535	1.507	1.547	1.752
Interest expense	787	770	630	508	518	540	513	506	726
Net interest income	1.101	1.014	1.005	989	1.001	995	994	1.041	1.026
Commission income	486	447	475	429	471	426	396	365	368
Commission expenses	23	19	22	24	19	25	28	31	24
Other operating income	3	2	2	1	2	1	2	2	-
Net commission and other income	466	430	455	406	454	402	370	336	344
Dividend income	16	19	21	-	9	-	39	1	17
Income from investment in associates	82	74	223	151	193	109	129	147	145
Net gains/losses on financial instrument	6	94	100	83	41	107	72	42	135
Net income on financial investments	104	187	344	234	243	216	240	190	297
Total income	1.671	1.631	1.804	1.629	1.698	1.613	1.604	1.567	1.667
Personnel expenses	438	445	485	432	423	382	401	357	330
Other operating expenses	224	200	228	191	212	186	182	179	198
Depreciation/ impairments on tangible and intangible assets	40	50	42	43	46	44	46	59	42
Total operating expenses	702	695	755	666	681	612	629	595	570
Operating profit before impairments	969	936	1.049	963	1.017	1.001	975	972	1.097
Impairments on loans and financial commitments	-52	15	-24	37	58	121	270	369	831
Pre-tax profit	1.021	921	1.073	926	959	880	705	603	266
Tax expense	225	168	184	193	143	162	97	98	10
Profit after tax	796	753	889	733	816	718	608	505	256

Profitability

Return on equity per quarter ¹⁾	12,0 %	11,4 %	14,0 %	11,7 %	13,2 %	11,6 %	9,7 %	8,2 %	4,0 %
Cost percentage ¹⁾	42,0 %	42,6 %	41,9 %	40,9 %	40,1 %	37,9 %	39,2 %	38,0 %	34,2 %
Combined weighted average spread for lending and deposits ¹⁾	1,40 %	1,33 %	1,32 %	1,31 %	1,36 %	1,40 %	1,40 %	1,48 %	1,50 %

Balance sheet figures from quarterly accounts

Gross loans to customers	242.867	233.581	230.299	226.952	225.791	221.291	219.181	216.796	214.432
Gross loans to customers including SB1 BK ²⁾	242.867	233.581	230.299	226.952	225.791	221.291	219.181	220.186	218.630
Growth in loans over last 12 months ¹⁾	7,6 %	5,6 %	5,1 %	4,7 %	5,3 %	4,3 %	5,8 %	6,5 %	8,0 %
Growth in loans incl SB1 BK ¹⁾²⁾	7,6 %	5,6 %	5,1 %	3,1 %	3,3 %	2,3 %	3,7 %	4,9 %	5,4 %
Deposits from customers	145.667	141.999	137.664	132.283	136.209	128.108	118.170	113.248	111.170
Growth in deposits over last 12 months ¹⁾	6,9 %	10,8 %	16,5 %	16,8 %	22,5 %	21,4 %	14,6 %	10,8 %	8,3 %
Total assets	318.642	318.295	304.402	296.987	299.939	296.492	287.049	280.338	278.715
Average total assets	316.347	308.512	301.021	300.562	295.347	287.621	282.912	280.147	275.917

Impairments on loans and financial commitments

Impairment ratio, annualized ¹⁾	-0,09 %	0,03 %	-0,04 %	0,07 %	0,10 %	0,22 %	0,50 %	0,68 %	1,56 %
Impairment ratio, including loans SB1 BK ¹⁾²⁾	-0,09 %	0,03 %	-0,04 %	0,07 %	0,10 %	0,22 %	0,49 %	0,67 %	1,53 %

¹⁾ Defined as alternative performance targets (APMs), see the appendix to the interim report

²⁾ SpareBank 1 Boligkreditt are abbreviated to SB1 BK

Results from the interim financial statements (continued)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Loans and financial commitments in Stage 2 and Stage 3 ¹⁾									
Loans and financial commitments in Stage 3 in % of gross loans and financial commitments ¹⁾	1,38 %	1,40 %	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %	1,59 %	1,87 %
Loans and financial commitments in Stage 3 in % of gross loans and fin. commitments, incl. loans SB1 BK ¹⁾²⁾	1,38 %	1,40 %	1,46 %	1,78 %	1,79 %	1,91 %	1,90 %	1,57 %	1,84 %
Loans and financial commitments in Stage 2 in % of gross loans and financial commitments ¹⁾	4,24 %	5,02 %	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %	6,21 %	5,51 %
Loans and financial commitments in Stage 2 in % of gross loans and fin. commitments, incl. loans SB1 BK ¹⁾²⁾	4,24 %	5,02 %	4,98 %	6,27 %	6,00 %	5,78 %	6,20 %	6,13 %	5,42 %
Solidity									
Common equity Tier 1 capital ratio ⁴⁾⁵⁾	17,9 %	17,6 %	17,4 %	17,6 %	17,9 %	18,1 %	18,3 %	18,5 %	18,3 %
Tier 1 capital ratio ⁴⁾⁵⁾	19,3 %	19,1 %	18,9 %	19,2 %	19,5 %	19,7 %	19,9 %	20,2 %	19,9 %
Capital ratio ⁴⁾⁵⁾	20,9 %	20,7 %	20,5 %	20,9 %	21,2 %	21,5 %	21,7 %	22,0 %	21,8 %
Tier 1 capital ⁴⁾⁵⁾	24.965	24.685	24.163	24.252	24.805	24.408	24.127	24.489	24.299
Net primary capital	27.050	26.767	26.207	26.446	26.999	26.612	26.336	26.728	26.538
Risk weighted balance	129.618	129.234	127.981	126.616	127.398	123.860	121.262	121.494	121.918
Leverage ratio	7,1 %	7,1 %	7,1 %	7,3 %	7,5 %	7,6 %	7,8 %	7,9 %	7,8 %
Liquidity									
Liquidity Coverage Ratio (LCR) ³⁾	151 %	155 %	168 %	160 %	167 %	141 %	157 %	154 %	159 %
Deposit-to-loan ratio ¹⁾	60,0 %	60,8 %	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %	52,2 %	51,8 %
Deposit-to-loan ratio, incl loans SB1 BK ¹⁾²⁾	60,0 %	60,8 %	59,8 %	58,3 %	60,3 %	57,9 %	53,9 %	51,4 %	50,8 %
Branches and staff									
Number of branches	35	35	34	34	34	34	34	35	34
Number of man-years	1.487	1.489	1.505	1.483	1.488	1.275	1.283	1.279	1.255
Number of man-years including temps	1.543	1.530	1.556	1.533	1.555	1.321	1.332	1.326	1.323
SpareBank 1 SR-Bank share									
Market price at end of quarter	106,70	134,30	133,20	121,50	113,70	105,00	91,00	77,40	69,90
Market capitalisation	27.289	34.347	34.066	31.074	29.079	26.854	23.273	19.795	17.877
Number of shares issued, millions	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75	255,75
Book equity per share (including dividends) ¹⁾	99,49	102,32	99,05	95,82	96,08	93,12	95,97	93,51	91,32
Earnings per share, NOK (annualised)	3,03	2,87	3,41	2,80	3,13	2,74	2,30	1,90	0,91
Price/earnings per share ¹⁾	8,80	11,70	9,77	10,85	9,08	9,58	9,89	10,18	19,20
Price / Book equity (group) ¹⁾	1,07	1,31	1,34	1,27	1,18	1,13	0,95	0,83	0,77
Annualised turnover rate in quarter ⁶⁾	5,2 %	5,9 %	5,0 %	3,7 %	5,5 %	7,2 %	5,3 %	6,1 %	11,0 %
Effective return ⁷⁾	-20,6 %	0,8 %	12,2 %	6,9 %	8,3 %	21,4 %	17,6 %	10,7 %	18,1 %

¹⁾ Defined as alternative performance targets (APMs), see the appendix to the interim report

²⁾ SpareBank 1 Boligkredit is abbreviated to SB1 BK

³⁾ High quality liquid assets divided by total net cash outflows in a 30-day, serious stress scenario

⁴⁾ A decision was made in April 2020 not to pay dividend for 2019 at this time. Historical figures per 31 December 2019 was not changed. The board have exercised the authorisation from April 2020 and on a board meeting 10th of February 2021 approved a dividend of NOK 5.50 per share for the financial year 2019. The dividend was paid as at 19th March 2021.

⁴⁾ The board has exercised its special authorisation from April 2021 and at the board meeting on 30 September 2021 approved a dividend of NOK 3.10 per share for the financial year 2020, which was paid out on 13 October 2021. The total dividend of NOK 793 million reduced equity on 30 September 2021.

⁶⁾ Annualised turnover of the share during the period, measured as a percentage of the number of outstanding shares

⁷⁾ Percentage change in the market price in the last period, including paid share dividend

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2022 Financial Calendar

Q2 2022, Half-yearly Report
Q3 2022

Thursday 11 August
Thursday 27 October